



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2016
 OF THE CONDITION AND AFFAIRS OF THE

Horizon Insurance Company

NAIC Group Code 01202 , 01202 NAIC Company Code 14690 Employer's ID Number 46-1362174
(Current Period) (Prior Period)

Organized under the Laws of New Jersey , State of Domicile or Port of Entry New Jersey
 Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
 Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization []
 Other [] Is HMO, Federally Qualified? Yes [] No []

Incorporated/Organized 10/11/2012 Commenced Business 12/31/2012

Statutory Home Office 3 Penn Plaza East PP-15D , Newark, NJ, US 07105-2248
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3 Penn Plz E Ste PP-15D
(Street and Number)
Newark, NJ, US 07105-2248 973-466-5607
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 3 Penn Plz E Ste PP-15D , Newark, NJ, US 07105-2248
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3 Penn Plz E Ste PP-15D
(Street and Number)
Newark, NJ, US 07105-2248 973-466-5607
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.horizonblue.com

Statutory Statement Contact Thomas D. Protentis , 973-466-5607
(Name) (Area Code) (Telephone Number) (Extension)
thomas_protentis@horizonblue.com 973-466-8453
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Kevin Patrick Conlin</u>	<u>CFO</u>	<u>Linda Anne Willett</u>	<u>Secretary</u>
<u>David Robert Huber</u>	<u>CFO and Treasurer</u>	<u>Erhardt Hsiao Lin Preitauer</u>	<u>President</u>

OTHER OFFICERS

<u>Robert Anthony Marino</u>	<u>Chairman</u>	<u>Joseph John Albano</u>	<u>Executive Vice President</u>
<u>Jai Prasad Pillai</u>	<u>Executive Vice President</u>	<u>Michael John Considine</u>	<u>Vice President</u>

DIRECTORS OR TRUSTEES

<u>Robert Anthony Marino</u>	<u>Erhardt Hsiao Lin Preitauer</u>	<u>Kevin Patrick Conlin</u>	<u>David Robert Huber</u>
<u>Christopher Michael Lepre</u>			

State of New Jersey
 County of Essex

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kevin Patrick Conlin
 CEO

Linda Anne Willett
 Secretary

David Robert Huber
 CFO and Treasurer

Subscribed and sworn to before me this _____ day of _____,

- a. Is this an original filing? Yes [] No []
 b. If no:
 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	100,872,926		100,872,926	94,394,194
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0		0	0
2.2 Common stocks.....	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	0
3.2 Other than first liens.....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances).....			0	0
4.3 Properties held for sale (less \$ encumbrances).....			0	0
5. Cash (\$1,658,844 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$896,567 , Schedule DA).....	2,555,411		2,555,411	21,271,139
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA).....	0		0	0
9. Receivables for securities.....			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	103,428,337	0	103,428,337	115,665,332
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued.....	615,424		615,424	493,920
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,064,972	71,194	993,778	4,154,706
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$).....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	0
16.2 Funds held by or deposited with reinsured companies.....			0	0
16.3 Other amounts receivable under reinsurance contracts.....			0	0
17. Amounts receivable relating to uninsured plans.....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	197,391	0	197,391	0
18.2 Net deferred tax asset.....	193,333	3,004	190,329	1,246,658
19. Guaranty funds receivable or on deposit.....	254,521		254,521	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$).....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	0
23. Receivables from parent, subsidiaries and affiliates.....			0	1,283,040
24. Health care (\$) and other amounts receivable.....	18,147,544	0	18,147,544	18,567,608
25. Aggregate write-ins for other-than-invested assets.....	372,494	372,494	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	124,274,016	446,692	123,827,324	141,411,264
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	124,274,016	446,692	123,827,324	141,411,264
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Premium Tax.....	308,327	308,327	0	0
2502. Prepaid Expenses.....	64,167	64,167	0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	372,494	372,494	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 47,636,187 reinsurance ceded)	5,292,910		5,292,910	11,182,168
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	59,500		59,500	86,500
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	1,734,593		1,734,593	13,059,277
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,566,047		1,566,047	17,618,794
9. General expenses due or accrued	1,049,716		1,049,716	1,049,305
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))			0	2,428,820
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	66,634,039		66,634,039	40,904,642
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ 20,233,543 authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)	20,233,543		20,233,543	29,575,183
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	96,570,348	0	96,570,348	115,904,689
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	17,770
26. Common capital stock	XXX	XXX	720,000	720,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	3,540,000	3,540,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	22,996,977	21,228,807
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	27,256,977	25,506,577
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	123,827,325	141,411,266
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. 2015 Report Year ACA Tax	XXX	XXX		17,770
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	17,770
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	2,316,449	1,566,424
2. Net premium income (including \$0 non-health premium income).....	XXX	64,514,513	220,234,954
3. Change in unearned premium reserves and reserve for rate credits	XXX	(430,391)	35,579
4. Fee-for-service (net of \$ medical expenses).....	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	64,084,122	220,270,533
Hospital and Medical:			
9. Hospital/medical benefits		463,007,879	0
10. Other professional services		14,868,760	297,048,821
11. Outside referrals		22,493,262	0
12. Emergency room and out-of-area		1,080,284	0
13. Prescription drugs		34,086,610	6,441,392
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15).....	0	535,536,795	303,490,213
Less:			
17. Net reinsurance recoveries		480,210,301	118,585,793
18. Total hospital and medical (Lines 16 minus 17).....	0	55,326,494	184,904,420
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$994,611 cost containment expenses.....		1,594,040	3,974,500
21. General administrative expenses.....		8,348,116	21,815,313
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	65,268,650	210,694,233
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(1,184,528)	9,576,300
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		2,815,192	1,396,160
26. Net realized capital gains (losses) less capital gains tax of \$204,859		819,437	96,738
27. Net investment gains (losses) (Lines 25 plus 26).....	0	3,634,629	1,492,898
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].....		0	0
29. Aggregate write-ins for other income or expenses	0	398,705	439,901
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	2,848,806	11,509,099
31. Federal and foreign income taxes incurred	XXX	(397,248)	2,404,249
32. Net income (loss) (Lines 30 minus 31).....	XXX	3,246,054	9,104,850
DETAILS OF WRITE-INS			
0601.	XXX		0
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Net Commission income.....		398,705	439,901
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	398,705	439,901

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	25,506,578	16,277,700
34. Net income or (loss) from Line 32	3,246,054	9,104,850
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ (131)	(523)	8,590
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(1,051,313)	117,797
39. Change in nonadmitted assets	(443,818)	(2,360)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	1,750,400	9,228,878
49. Capital and surplus end of reporting year (Line 33 plus 48)	27,256,977	25,506,578
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	39,796,425	220,089,498
2. Net investment income.....	3,424,294	1,527,793
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	43,220,720	221,617,291
5. Benefit and loss related payments.....	61,215,752	198,757,252
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	9,824,561	25,588,757
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	2,433,822	1,731,042
10. Total (Lines 5 through 9).....	73,474,135	226,077,051
11. Net cash from operations (Line 4 minus Line 10).....	(30,253,415)	(4,459,760)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	156,733,108	80,581,900
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	7,628	1,757
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	156,740,735	80,583,658
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	162,926,432	124,197,862
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	162,926,432	124,197,863
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(6,185,697)	(43,614,205)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	17,723,383	57,883,186
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	17,723,383	57,883,186
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(18,715,729)	9,809,221
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	21,271,140	11,461,920
19.2 End of year (Line 18 plus Line 19.1).....	2,555,411	21,271,140

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	64,514,513	0	27,811,389	0	2,644,432	0	30,140,380	0	3,918,312	0
2. Change in unearned premium reserves and reserve for rate credit	(430,391)		27,148		(1,974)		(455,869)		304	
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	64,084,122	0	27,838,537	0	2,642,458	0	29,684,511	0	3,918,617	0
8. Hospital/medical benefits	463,007,879		192,724,119				270,283,760			XXX
9. Other professional services	14,868,759		11,717,992		1,969,793		1,180,974			XXX
10. Outside referrals	22,493,262		20,615,232				1,878,030			XXX
11. Emergency room and out-of-area	1,080,284		67				1,080,217			XXX
12. Prescription drugs	34,086,611		373,039				1,725,403		31,988,169	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	535,536,795	0	225,430,449	0	1,969,793	0	276,148,384	0	31,988,169	XXX
16. Net reinsurance recoveries	480,210,301		202,887,404				248,533,545		28,789,352	XXX
17. Total hospital and medical (Lines 15 minus 16)	55,326,494	0	22,543,045	0	1,969,793	0	27,614,839	0	3,198,817	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 994,611 cost containment expenses	1,594,040		619,946		20,500		759,098		194,496	
20. General administrative expenses	8,348,116		3,246,705		107,361		3,975,458		1,018,593	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	65,268,650	0	26,409,696	0	2,097,654	0	32,349,395	0	4,411,906	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,184,529)	0	1,428,841	0	544,804	0	(2,664,885)	0	(493,289)	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement	278,113,889		250,302,500	27,811,389
3. Dental only .....				.0
4. Vision only	2,644,432		.0	2,644,432
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare	301,403,800		271,263,420	30,140,380
7. Title XIX - Medicaid .....				.0
8. Other health	39,185,861		35,267,549	3,918,312
9. Health subtotal (Lines 1 through 8)	621,347,982	.0	556,833,468	64,514,513
10. Life .....				.0
11. Property/casualty .....				.0
12. Totals (Lines 9 to 11)	621,347,982	0	556,833,468	64,514,513

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	537,055,698		225,367,406		1,969,793		277,616,483		32,102,015	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	475,839,946		199,677,846				247,270,287		28,891,813	
1.4 Net	61,215,752	0	25,689,560	0	1,969,793	0	30,346,196	0	3,210,202	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	52,929,097	0	26,610,197	0	0	0	24,969,900	0	1,349,000	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	47,636,187	0	23,949,177	0	0	0	22,472,910	0	1,214,100	0
3.4 Net	5,292,910	0	2,661,020	0	0	0	2,496,990	0	134,900	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	54,448,000	0	26,547,154	0	0	0	26,438,000	0	1,462,846	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	43,265,832	0	20,739,619	0	0	0	21,209,652	0	1,316,561	0
8.4 Net	11,182,168	0	5,807,535	0	0	0	5,228,348	0	146,285	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	535,536,795	0	225,430,449	0	1,969,793	0	276,148,383	0	31,988,169	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	480,210,301	0	202,887,404	0	0	0	248,533,545	0	28,789,352	0
12.4 Net	55,326,494	0	22,543,045	0	1,969,793	0	27,614,838	0	3,198,817	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	11,994,172		2,751,469				9,242,703			
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	10,794,755		2,476,322				8,318,433			
1.4. Net	1,199,417	0	275,147	0	0	0	924,270	0	0	0
2. Incurred but Unreported:										
2.1. Direct	40,934,925		23,858,728				15,727,197		1,349,000	
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	36,841,432		21,472,855				14,154,477		1,214,100	
2.4. Net	4,093,493	0	2,385,873	0	0	0	1,572,720	0	134,900	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	52,929,097	0	26,610,197	0	0	0	24,969,900	0	1,349,000	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	47,636,187	0	23,949,177	0	0	0	22,472,910	0	1,214,100	0
4.4. Net	5,292,910	0	2,661,020	0	0	0	2,496,990	0	134,900	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					.0	.0
2. Medicare Supplement	2,543,148	23,146,458	10,053	2,650,967	2,553,201	5,807,535
3. Dental Only.....					.0	.0
4. Vision Only.....		1,969,793			.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare	3,412,486	26,934,510	18,491	2,478,499	3,430,977	5,228,348
7. Title XIX - Medicaid.....					.0	.0
8. Other health	120,791	3,088,565		134,900	120,791	146,284
9. Health subtotal (Lines 1 to 8).....	6,076,425	55,139,326	28,544	5,264,366	6,104,969	11,182,167
10. Healthcare receivables (a).....					.0	.0
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals (Lines 9-10+11+12)	6,076,425	55,139,326	28,544	5,264,366	6,104,969	11,182,167

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A – Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	(3)	(3)
2. 2012	.0	.0	.0	.8	.8
3. 2013	XXX	73,157	94,029	94,112	94,112
4. 2014	XXX	XXX	193,697	219,064	219,072
5. 2015	XXX	XXX	XXX	169,971	172,505
6. 2016	XXX	XXX	XXX	XXX	23,146

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	(4)	(3)
2. 2012	.0	.0	.0	.8	.8
3. 2013	XXX	73,157	94,121	94,112	94,112
4. 2014	XXX	XXX	218,641	219,181	219,073
5. 2015	XXX	XXX	XXX	175,661	172,515
6. 2016	XXX	XXX	XXX	XXX	25,797

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare Supplement

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012	.0	.8	.0	0.0	.8	0.0	.0	.0	.8	0.0
2. 2013	122,589	94,112	2,488	2.6	96,600	78.8	.0	.0	96,600	78.8
3. 2014	258,316	219,072	4,666	2.1	223,738	86.6	.1	.0	223,739	86.6
4. 2015	210,508	172,505	3,711	2.2	176,216	83.7	.10	.0	176,226	83.7
5. 2016	27,839	23,146	588	2.5	23,734	85.3	2,651	32	26,417	94.9

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A – Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.0	.0
2. 2012	.0	.0	.0	.0	.0
3. 2013	XXX	.0	.0	.0	.0
4. 2014	XXX	XXX	276	276	276
5. 2015	XXX	XXX	XXX	836	836
6. 2016	XXX	XXX	XXX	XXX	1,970

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.0	.0
2. 2012	.0	.0	.0	.0	.0
3. 2013	XXX	.0	.0	.0	.0
4. 2014	XXX	XXX	276	276	276
5. 2015	XXX	XXX	XXX	836	836
6. 2016	XXX	XXX	XXX	XXX	1,970

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Vision Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2013	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2014	360	276	26	9.4	302	83.9	.0	.0	302	83.9
4. 2015	990	836	.0	.0	836	84.4	.0	.0	836	84.4
5. 2016	2,642	1,970	19	1.0	1,989	75.3	0	0	1,989	75.3

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.0	.0
2. 2012	.0	.0	.0	(40)	(36)
3. 2013	XXX	.0	.0	(292)	.163
4. 2014	XXX	XXX	.0	.33	3,363
5. 2015	XXX	XXX	XXX	29,274	28,898
6. 2016	XXX	XXX	XXX	XXX	26,935

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.0	.0
2. 2012	.0	.0	.0	(40)	(36)
3. 2013	XXX	.0	.0	(291)	.163
4. 2014	XXX	XXX	.0	.325	3,363
5. 2015	XXX	XXX	XXX	34,210	28,917
6. 2016	XXX	XXX	XXX	XXX	29,413

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012	.0	(36)	.0	0.0	(36)	0.0	.0	.0	(36)	0.0
2. 2013	.0	.163	.0	0.0	.163	0.0	.0	.0	.163	0.0
3. 2014	.0	3,363	.0	0.0	3,363	0.0	.0	.0	3,363	0.0
4. 2015	7,810	28,898	258	0.9	29,156	373.3	19	.0	29,175	373.6
5. 2016	29,685	26,935	720	2.7	27,655	93.2	2,478	28	30,161	101.6

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.6	.6
2. 2012	.0	.0	.0	(5)	(24)
3. 2013	XXX	.0	.0	(13)	.3
4. 2014	XXX	XXX	.0	(25)	.17
5. 2015	XXX	XXX	XXX	1,564	1,645
6. 2016	XXX	XXX	XXX	XXX	3,089

Section B – Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.6	.6
2. 2012	.0	.0	.0	(5)	(24)
3. 2013	XXX	.0	.0	(13)	.3
4. 2014	XXX	XXX	.0	(25)	.17
5. 2015	XXX	XXX	XXX	1,710	1,645
6. 2016	XXX	XXX	XXX	XXX	3,223

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Other

Years in which Premiums were Eamed and Claims were Incurred	1 Premiums Eamed	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012	.0	(24)	.0	.0	(24)	.0	.0	.0	(24)	.0
2. 2013	.0	.3	.0	.0	.3	.0	.0	.0	.3	.0
3. 2014	.0	.17	.0	.0	.17	.0	.0	.0	.17	.0
4. 2015	.962	1,645	.5	.3	1,650	171.4	.0	.0	1,650	171.4
5. 2016	3,919	3,089	185	6.0	3,274	83.5	135	0	3,409	87.0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.3	.3
2. 2012	.0	.0	.0	(37)	(52)
3. 2013	XXX	73,157	94,029	93,807	94,278
4. 2014	XXX	XXX	193,973	219,348	222,728
5. 2015	XXX	XXX	XXX	201,645	203,884
6. 2016	XXX	XXX	XXX	XXX	55,140

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	.0	.0	.0	.2	.3
2. 2012	.0	.0	.0	(37)	(52)
3. 2013	XXX	73,157	94,121	93,808	94,278
4. 2014	XXX	XXX	218,917	219,757	222,729
5. 2015	XXX	XXX	XXX	212,417	203,913
6. 2016	XXX	XXX	XXX	XXX	60,403

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012	.0	(52)	.0	0.0	(52)	0.0	.0	.0	(52)	0.0
2. 2013	122,589	94,278	2,488	2.6	96,766	78.9	.0	.0	96,766	78.9
3. 2014	258,676	222,728	4,692	2.1	227,420	87.9	.1	.0	227,421	87.9
4. 2015	220,270	203,884	3,974	1.9	207,858	94.4	.29	.0	207,887	94.4
5. 2016	64,084	55,140	1,512	2.7	56,652	88.4	5,264	60	61,976	96.7

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	12,789,940		12,788,035		1,974		179		(248)
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)	4,558,220						4,558,220		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	17,348,160	0	12,788,035	0	1,974	0	4,558,399	0	(248)
7. Reinsurance ceded	15,613,567		11,511,009				4,102,559		
8. Totals (Net) (Page 3, Line 4)	1,734,593	0	1,277,027	0	1,974	0	455,840	0	(248)
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....			204		204
2. Salaries, wages and other benefits.....			1,490,273		1,490,273
3. Commissions (less \$1,863,248 ceded plus \$assumed).....			207,028		207,028
4. Legal fees and expenses.....			6,473		6,473
5. Certifications and accreditation fees.....			0		0
6. Auditing, actuarial and other consulting services.....			199,392		199,392
7. Traveling expenses.....			22,968		22,968
8. Marketing and advertising.....			966,192		966,192
9. Postage, express and telephone.....			19,288		19,288
10. Printing and office supplies.....			15,687		15,687
11. Occupancy, depreciation and amortization.....			0		0
12. Equipment.....			0		0
13. Cost or depreciation of EDP equipment and software.....			9,270		9,270
14. Outsourced services including EDP, claims, and other services.....	994,611	626,429	3,272,220		4,893,260
15. Boards, bureaus and association fees.....			87,961		87,961
16. Insurance, except on real estate.....			324,962		324,962
17. Collection and bank service charges.....			7,494		7,494
18. Group service and administration fees.....			0		0
19. Reimbursements by uninsured plans.....			(6,860)		(6,860)
20. Reimbursements from fiscal intermediaries.....			0		0
21. Real estate expenses.....			0		0
22. Real estate taxes.....			0		0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			0		0
23.2 State premium taxes.....			70,047		70,047
23.3 Regulatory authority licenses and fees.....			889,182		889,182
23.4 Payroll taxes.....			99,666		99,666
23.5 Other (excluding federal income and real estate taxes).....			659,683		659,683
24. Investment expenses not included elsewhere.....			0		0
25. Aggregate write-ins for expenses.....	0	(27,000)	6,986	0	(20,014)
26. Total expenses incurred (Lines 1 to 25).....	994,611	599,429	8,348,116	0 (a)	9,942,156
27. Less expenses unpaid December 31, current year.....		59,500	1,049,716		1,109,216
28. Add expenses unpaid December 31, prior year.....	0	86,500	1,049,305	0	1,135,805
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	994,611	626,429	8,347,705	0	9,968,745
DETAILS OF WRITE-INS					
2501. Provision for Claims Processing.....		(27,000)			(27,000)
2502. Prompt pay interest.....			6,986		6,986
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	(27,000)	6,986	0	(20,014)

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 309,551	264,350
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 2,454,427	2,621,138
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 48,243	48,237
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	2,812,221	2,933,725
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		118,533
16. Total deductions (Lines 11 through 15)		118,533
17. Net investment income (Line 10 minus Line 16)		2,815,192
DETAILS OF WRITE-INS		
0901. Other investment income		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501. Investment expenses		118,533
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		118,533

- (a) Includes \$ 55,523 accrual of discount less \$ 786,129 amortization of premium and less \$ 394,881 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 10 accrual of discount less \$ 149 amortization of premium and less \$ 1,600 paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	168,988		168,988	2,706	
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	847,680		847,680	(3,360)	
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	7,628		7,628	0	0
7. Derivative instruments	0		0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,024,296	0	1,024,296	(654)	0
DETAILS OF WRITE-INS					
0901.			0		
0902.			0		
0903.			0		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	71,194	0	(71,194)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	3,004	2,874	(130)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	372,494	0	(372,494)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	446,692	2,874	(443,818)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	446,692	2,874	(443,818)
DETAILS OF WRITE-INS			
1101.	0		0
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepays.....	372,494	0	(372,494)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	372,494	0	(372,494)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	21,951	20,672	20,417	20,241	20,085	245,177
2. Provider Service Organizations.....	0					
3. Preferred Provider Organizations.....	244	228	234	234	235	2,773
4. Point of Service.....	3,184	2,893	2,887	2,893	2,892	34,736
5. Indemnity Only.....	96,775	96,884	96,230	95,798	93,049	1,147,137
6. Aggregate write-ins for other lines of business.....	51,747	72,440	73,138	76,376	80,134	886,626
7. Total	173,901	193,117	192,906	195,542	196,395	2,316,449
DETAILS OF WRITE-INS						
0601. Vision.....	21,290	42,508	43,483	46,907	50,874	530,757
0602. Part D Standalone.....	30,457	29,932	29,655	29,469	29,260	355,869
0603.	0					
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	51,747	72,440	73,138	76,376	80,134	886,626

NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices

The accompanying financial statements of Horizon Insurance, Inc. ("the Company") have been prepared in conformity with accounting practices prescribed or permitted by the State of New Jersey, which requires that all statutory basis financial statements are prepared in accordance with the National Association of Insurance Commissioners Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that state law differs.

	SSAP #	F/S Page	F/S Line #	2016	2015
<u>NET INCOME</u>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	1	4	32	\$ 3,246,054	\$ 9,104,850
State Prescribed Practices that increase/(decrease) NAIC					
(2) SAP:	N/A	N/A	N/A	N/A	N/A
State Permitted Practices that increase/(decrease) NAIC					
(3) SAP:	N/A	N/A	N/A	N/A	N/A
(4) NAIC SAP (1-2-3=4)				\$ 3,246,054	\$ 9,104,850
<u>SURPLUS</u>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	1	3	33	\$ 27,256,977	\$ 25,506,577
State Prescribed Practices that increase/(decrease) NAIC					
(6) SAP:	N/A	N/A	N/A	N/A	N/A
State Permitted Practices that increase/(decrease) NAIC					
(7) SAP:	N/A	N/A	N/A	N/A	N/A
(8) NAIC SAP (5-6-7=8)				\$ 27,256,977	\$ 25,506,577

B. Use of Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company uses the following accounting policies:

- 1) Short-term investments are carried at market value.
- 2) Long-term bond investments are carried at amortized cost.
- 3) Common stocks – None
- 4) Preferred stocks – None
- 5) Mortgage loans – None
- 6) Loan-backed securities – None
- 7) Investments in subsidiaries and affiliates – None
- 8) Investments in joint ventures and partnerships – None
- 9) Derivatives – None
- 10) Premium deficiency calculation – None
- 11) The liability for claims incurred but unpaid for current and prior years is estimated based upon certain actuarial assumptions which consider such factors as average enrollment, utilization, and claims paid in the current and preceding years. In addition, a provision is made for claim processing costs. Adjustments to these estimates are reflected in the year the actual results are known.
- 12) The Company has not changed its capitalization policy from the prior period.
- 13) The Company does not have pharmacy rebate receivables.

D. Going Concern

After careful consideration, management believes the Company has the ability to continue as a going concern for the foreseeable future.

2) **ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

There were no accounting changes or correction of errors in year-end 2016 or 2015.

3) **BUSINESS COMBINATIONS AND GOODWILL**

Not applicable

4) **DISCONTINUED OPERATIONS**

Not applicable

5) **INVESTMENTS**

- a. Mortgage loans – None
- b. Debt restructuring – None
- c. Reverse mortgages – None
- d. Loan-backed securities – None
- e. Repurchase agreements – None
- f. Real estate – None
- g. Investments in low income tax credits – None
- h. Restricted assets – None
- i. Working capital finance investments – None
- j. Offsetting and netting of assets and liabilities – None
- k. Structured notes - None
- l. 5*Securities - None

6) **JOINT VENTURES, PARTNERSHIPS and LIMITED LIABILITY COMPANIES**

Not applicable

7) **INVESTMENT INCOME**

The Company has no non-admitted investment income due and accrued.

NOTES TO FINANCIAL STATEMENTS

8) DERIVATIVE INSTRUMENTS

Not applicable

9) INCOME TAXES

The Company has adopted SSAP No. 101 . SSAP No. 101 replaces SSAP No. 10R, Income Taxes – Revised, A Temporary Replacement of SSAP No. 10 which established SAP for current and deferred Federal and foreign income taxes and current state income taxes.

SSAP No. 101 adopts the concepts of Statement of Financial Accounting Standard No. 109, Income Taxes, with certain modifications for state income taxes, the realization criteria for deferred tax assets, and the recording of the impact of changes in its deferred tax balances. SSAP No. 101 retains the expanded net deferred tax asset (“DTA”) admissibility of SSAP No. 10R, including the possibility of a three-year reversal period and a 15 percent surplus limitation. The expanded admissibility under SSAP No. 101 is subject to the new “realization threshold limitation criteria” which determine the future realization period under which reversals are considered (0, 1, or 3 years) and the applicable percentage of adjusted statutory surplus (0%, 10%, or 15%).

In addition to SSAP No. 101, SSAP No. 5 “Liabilities, Contingencies and Impairments of Assets” was replaced with SSAP No. 5R “Liabilities, Contingencies and Impairments of Assets - Revised”. SSAP 5R changes the recognition and measurement guidance on uncertain tax positions by reducing the recognition threshold from “probable and reasonably estimated” criterion to “more likely than not and reasonably estimated.”

Current Federal income taxes are provided on the basis of amounts currently payable or receivable. Deferred Federal income tax assets and liabilities are provided for temporary differences between statutory financial statement carrying amounts of assets and liabilities and their respective tax bases. Temporary differences expected to reverse within one year are recognized subject to certain limitations. Changes in deferred tax assets and liabilities are recognized as a separate component of surplus.

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

1. Description	December 31, 2016			December 31, 2015		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 196,544	\$ 3,004	\$ 199,548	\$ 1,250,837	\$ 2,874	\$ 1,253,711
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	196,544	3,004	199,548	1,250,837	2,874	1,253,711
(d) Deferred tax assets nonadmitted	-	3,004	3,004	-	2,874	2,874
(e) Sub-total net admitted deferred tax asset (1c - 1d)	196,544	-	196,544	1,250,837	-	1,250,837
(f) Deferred tax liabilities	6,216	-	6,216	4,179	-	4,179
(g) Net admitted deferred tax asset (Net deferred tax liability) (1e - 1f)	\$ 190,328	\$ -	\$ 190,328	\$ 1,246,658	\$ -	\$ 1,246,658

2. Description	December 31, 2016			December 31, 2015		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation components SSAP No. 101						
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 196,544	\$ -	\$ 196,544	\$ 1,250,837	\$ -	\$ 1,250,837
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized Excluding The Amount Of Deferred Tax Assets From 2(a) above After Application of the Threshold Limitation (The Lessor of 2(b)1 and 2(b)2 Below)	-	-	-	-	-	-
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	-	-	-	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	3,721,000	-	-	3,638,988
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	-	-	-	-	-	-
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	\$ 196,544	\$ -	\$ 196,544	\$ 1,250,837	\$ -	\$ 1,250,837

(3) (a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	370%	370%
(b) Amount of Adjusted Capital And Surplus Used to Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	24,806,668	24,259,919

(4) Impact of tax planning strategies (TPS) on adjusted gross DTAs and net admitted DTAs:

Description	December 31, 2016			December 31, 2015		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Adjusted gross DTA's - Percentage	0%	0%	0%	0%	0%	0%
(b) Admitted adjusted gross DTA's - Percentage	0%	0%	0%	0%	0%	0%
(c) Do TPS include a reinsurance strategy?	No			No		

B. Temporary differences for which a DTL has not been established:

The Company has no unrecognized DTLs for amounts described in SSAP 101, paragraph 23.

At December 31, 2016, the Company had no adjustments of a DTA or DTL for enacted changes in tax laws or rates, or a change in tax status. Additionally, the Company had no adjustments to gross DTAs because of a change in circumstances that causes a change in judgment about the realizability of the related DTAs.

NOTES TO FINANCIAL STATEMENTS

C. Significant components of income taxes incurred:

Description	2016	2015
(a) Current federal income tax expense / (benefit)	\$ (397,233)	\$ 2,404,635
(b) Foreign income tax expense / (benefit)	-	-
(c) Subtotal	(397,233)	2,404,635
(d) Tax expense / benefit on realized capital gains / (losses)	204,859	24,185
(e) Utilization of capital loss carryforwards	-	-
(f) Other, including prior year underaccrual (overaccrual)	(15)	(386)
(g) Federal and foreign income taxes incurred	\$ (192,389)	\$ 2,428,434

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) DTAs Resulting From

Book/Tax Differences In	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Non-admitted assets	\$ 74,498	\$ -	\$ 74,498
(2) Claim reserves	8,253	18,697	(10,444)
(3) Unearned premiums	113,793	1,227,123	(1,113,330)
(4) Accrued bonuses	-	5,017	(5,017)
Subtotal - Gross ordinary DTAs	196,544	1,250,837	(1,054,293)
(b) Statutory valuation allowance adjustment - ordinary	-	-	-
(c) Nonadmitted ordinary DTAs	-	-	-
(d) Admitted ordinary DTAs	\$ 196,544	\$ 1,250,837	\$ (1,054,293)
(e) Capital			
(1) Unrealized capital losses	\$ 3,004	\$ 2,874	\$ 130
Gross capital DTAs	3,004	2,874	130
(f) Statutory valuation allowance adjustment - capital	-	-	-
(g) Nonadmitted capital DTAs	(3,004)	(2,874)	(130)
(h) Admitted capital DTAs	\$ -	\$ -	\$ -
(i) Admitted DTAs	\$ 196,544	\$ 1,250,837	\$ (1,054,293)
(3) DTLs Resulting From			
Book/Tax Differences In	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Accrued market discount	\$ (6,216)	\$ (4,179)	\$ (2,037)
Ordinary DTLs	(6,216)	(4,179)	(2,037)
(b) Capital	-	-	-
None	-	-	-
Capital DTLs	-	-	-
(c) DTLs	(6,216)	(4,179)	(2,037)
(4) Net deferred tax assets/liabilities	\$ 190,328	\$ 1,246,658	\$ (1,056,330)

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is comprised of the following:

	December 31, 2016	December 31, 2015	Bal. Sheet Change
Total deferred tax assets	\$ 199,548	\$ 1,253,711	\$ (1,054,163)
Total deferred tax liabilities	(6,216)	(4,179)	(2,037)
Net deferred tax assets/liabilities	193,332	1,249,532	(1,056,200)
Statutory valuation allowance adjustment			
Net deferred tax assets/liabilities after SVA	\$ 193,332	\$ 1,249,532	\$ (1,056,200)
Tax effect of unrealized gains/(losses)	(3,004)	(2,874)	(130)
Statutory valuation allowance adjustment allocated to unrealized			-
Other intraperiod allocation of deferred tax movement			-
Change in net deferred income tax [(charge)/benefit]			\$ (1,056,330)

D. Reconciliation of total statutory income taxes reported to tax at statutory rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes including realized capital gains losses.

The significant items causing this difference are as follows:

Description	Amount	Statutory Rate	Effective Tax
		20.00%	Rate
		Tax Effect	
Income Before Taxes	\$ 3,053,664	\$ 610,733	20.00%
Change in nonadmitted assets	(372,490)	(74,498)	-2.44%
Meals and Entertainment	19,824	3,965	0.13%
ACA insurer fee	1,579,393	315,878	10.35%
Other nondeductible expenses	14,305	2,861	0.09%
Intercompany transfer of deferred attribute		5,017	0.16%
Total	\$ 4,294,696	\$ 863,956	28.29%
Federal income taxed incurred [expense/(benefit)]		(397,233)	-13.01%
Tax on Realized Capital Gains (Losses)		204,859	6.71%
Change in net deferred income tax [charge/(benefit)]		1,056,330	34.59%
Total statutory income taxes		\$ 863,956	28.29%

E. Carryforwards, recoverable taxes, and IRC 6603 deposits:

At December 31, 2016, the Company did not have any net operating loss carryforwards.

At December 31, 2016, the Company did not have any capital loss carryforwards.

At December 31, 2016, the Company did not have any AMT credit carryforwards.

At December 31, 2016, the Company did not have any foreign tax credit carryforwards..

Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

Available from tax year	Ordinary	Capital	Total
2014	\$ -	\$ -	\$ -
2015	2,404,635	24,185	2,428,820
2016	-	204,859	204,859
Total	\$ 2,404,635	\$ 229,044	\$ 2,633,679

At December 31, 2016, the Company had no tax amounts deposited in accordance with Section 6603 of the Internal Revenue Code.

F. Income tax loss contingencies:

At December 31, 2016, the Company did not have any income tax loss contingencies as described under SSAP 101, paragraph 27.

G. The Company's federal income tax return is consolidated with the following entities:

Horizon Casualty Services, Inc.
Horizon Healthcare Dental, Inc.
Horizon Healthcare of New Jersey, Inc.
Horizon Healthcare Plan Holding Company, Inc.
Horizon Healthcare Services, Inc. (Common Parent)
Horizon Insurance Company
Multistate Investment Services, Inc.
Multistate Professional Services, Inc.

The Company files its U.S. Corporation Income Tax Return as a member of the Horizon Healthcare Services, Inc & Subsidiaries consolidated group and participates in the Horizon Healthcare Services, Inc. & Subsidiaries tax sharing agreement. The agreement provides that the Company's tax liability (benefit) due to (from) the Parent would be the amount equivalent to that had the Company filed its Federal tax return on a separate company basis. In addition, the agreement provides that the Company will be reimbursed by the Parent for tax benefits relating to any net losses or any tax credits generated by the Company and utilized in filing the consolidated return. The federal income tax recoverable/payable in the accompanying statement of admitted assets, liabilities, capital and surplus are due to/from the Parent. Intercompany tax balances are settled annually following the Parent Company's filing of its federal income tax return.

NOTES TO FINANCIAL STATEMENTS

10) INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. The Company is a wholly owned subsidiary of Horizon Healthcare Plan Holding Company, Inc. (HHPHC), which, in turn, is a wholly owned subsidiary of Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ).
- B. Effective October 1, 2015 a novation agreement went into effect between Horizon Healthcare of New Jersey (HHNJ) and HIC and between HHSI and HIC whereby all assets and obligations related to the H3154 and H7971 Medicare Advantage contracts transferred to HIC from HHNJ and all assets and obligations related to the S5993 Standalone Part D (PDP) transferred to HIC from HHSI. There was no gain or loss recorded by any party as a result of the novation.

At the same time, HHSI and HIC entered into a 90% quota share reinsurance agreement effective October 1, 2015 whereby HHSI reinsured 90% of all Medicare Advantage and PDP business transferred to HIC as well as 90% of the Medicare Supplement (Medigap) business, all on a prospective basis, (collectively, the "Senior" business). At December 31, 2016, the amount of premiums, claims and general and administrative costs ceded were \$552,974,976, \$480,210,301 and \$86,024,471, respectively. Receivables ceded were \$20,645,376 and liabilities and payables ceded were \$81,342,043.68.

- C. At December 31, 2016, the Company reported amounts payable to Horizon Healthcare of New Jersey, Inc. of \$1,734,118 and amounts payable to Horizon BCBSNJ of \$64,899,921. At December 31, 2015, the Company reported amounts receivable from Horizon Health Care of New Jersey, Inc. of \$1,283,040 and amounts payable to Horizon BCBSNJ of \$40,904,642. Intercompany balances are typically settled within 60 days of month end.
- D. Horizon BCBSNJ provides the Company with certain administrative services, including executive, financial, legal and human resource support. Horizon BCBSNJ also provides the computer systems and programming support needed by the Company for claims processing and customer service. Horizon BCBSNJ also markets the Company's products. These services are allocated to the Company according to a defined formula. Additionally, Horizon BCBSNJ provides various other direct support services related to hospital contract negotiations, enrollment and billing services, front-end clerical functions and mail services. The Company is billed for these items at cost. The Company paid \$29,318,788 in 2016 and \$40,367,058 in 2015 to Horizon BCBSNJ for these services.
- E. The Company and Horizon BCBSNJ have entered into another agreement whereby Horizon BCBSNJ provides services to the Company related to provider network services and medical management functions. These services are provided at cost, which totaled \$4,319,651.77 in 2016 and \$1,948,892 in 2015.

11) DEBT

Not applicable.

12) RETIREMENT PLANS, DEFERRED COMPENSATION AND OTHER POSTRETIREMENT BENEFIT PLANS

Employees of the Company participate in the Horizon BCBSNJ retirement programs. These programs provide retirement benefits, as well as health and life insurance coverage for former employees, based upon employee compensation and years of service. Under the existing arrangements with Horizon BCBSNJ, all pension and post retirement liabilities and funding are recorded by Horizon BCBSNJ, which is responsible for all pension and post retirement liabilities accrued by the Company's employees. The Company's share of these pension and post-retirement expenses for 2016 and 2015 was \$686,680 and \$29,922, respectively. These amounts have been included in operating expenses.

In addition, eligible employees of the Company can participate in Horizon BCBSNJ's Management and Union Employees' Savings and Investment Plans, which are contributory savings' plans for management and union employees. All management and union employees with 30 days of service are eligible for membership. For the years ended December 31, 2016 and 2015, the Company's contributions were approximately \$203,142 and \$16,448, respectively.

13) CAPITAL AND SURPLUS AND SHAREHOLDERS' DIVIDEND RESTRICTIONS

1. The Company has 140,000 shares of common stock authorized issued and outstanding.
2. The Company has no preferred stock outstanding.
3. The Company is required to maintain minimum amounts of paid-in capital and paid-in surplus as specified under New Jersey Insurance Law. The Company's capital and surplus currently exceeds those requirements.
4. The Company did not pay a dividend in 2016 or 2015.
5. Within the limitations of (3) above, there are no restrictions placed on the portion of Company's profits.
6. There were no restrictions placed on the Company's surplus.
7. There were no unpaid advances to surplus.
8. There was no stock held by the Company for special purposes.
9. There were no special surplus funds.
10. The portion of unassigned surplus represented or reduced by unrealized gains and losses \$654.
11. The Company has no surplus notes.
12. There has been no quasi-reorganization.

14) LIABILITIES, CONTINGENCIES AND ASSESSMENTS

- A. Contingent commitments – None
- B. Assessments – In 2016 the Company paid a Guaranty Fund Assessment of \$510,542. In accordance with New Jersey regulations the Company also recorded a \$254,521 receivable, 50% of the total invoiced amount, for premium tax credits. The premium tax credits will be realized starting in 2020 at no more than 20% of the total credit per year.
- C. Gain Contingencies – None
- D. Claims Related extra contractual obligation and bad faith losses stemming from lawsuits – None
- E. Joint and several liabilities – None
- F. All other contingencies - None

15) LEASES

Not applicable

16) INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK and FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK

Not applicable

17) SALE, TRANSFER and SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

Not applicable

NOTES TO FINANCIAL STATEMENTS

18) GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Cost-Plus contracts represent funding arrangements with certain larger group customers, whereby they agree to fully fund claims and administrative expenses as incurred by the Company. These contracts have been classified as uninsured health plans for financial statement purposes, leaving only the reimbursement for administrative expenses from these groups shown as a reduction in operating expenses.

Had these groups been considered as insured business, premiums, claims, and operating expenses would have been increased by the following amounts:

	12/31/2016
Premiums	\$ 108,823
Claims	101,963
Operating expense	6,860

19) DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS
Not applicable

20) FAIR VALUE MEASUREMENT

Assets and liabilities that are required to be reported at fair value should be classified in a hierarchy for disclosure purposes consisting of three levels based on the observability of inputs used to determine fair value. The levels are as follows:

- Level 1 – Unadjusted observable inputs for identical assets, such as quoted market prices in active markets at the measurement date.
- Level 2 – Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3 – Unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

December 31, 2016	Level I	Level II	Level III	Total
Fixed income debt securities				
Domestic				
Short-term money market funds, at fair value, restricted	\$ -	\$ -	\$ -	\$ -
US treasury securities and obligations of US government corporations and agencies, available-for-sale, at fair value	-	-	-	-
Corporate bonds, available-for-sale, at fair value	-	587,867	-	587,867
Collateralized securities, available-for-sale, at fair value	-	-	-	-
Total fixed income debt securities	-	587,867	-	587,867
Equity securities				
Domestic	-	-	-	-
Foreign	-	-	-	-
Total equity securities	-	-	-	-
Total	\$ -	\$ 587,867	\$ -	\$ 587,867
December 31, 2015	Level I	Level II	Level III	Total
Fixed income debt securities				
Domestic				
Short-term money market funds, at fair value, restricted	\$ -	\$ -	\$ -	\$ -
US treasury securities and obligations of US government corporations and agencies, available-for-sale, at fair value	-	-	-	-
Corporate bonds, available-for-sale, at fair value	-	420,000	-	420,000
Collateralized securities, available-for-sale, at fair value	-	-	-	-
Total fixed income debt securities	-	420,000	-	420,000
Equity securities				
Domestic	-	-	-	-
Foreign	-	-	-	-
Total equity securities	-	-	-	-
Total	\$ -	\$ 420,000	\$ -	\$ 420,000

21) OTHER ITEMS

- A. Unusual or infrequent items – None
- B. Troubled debt restructuring – None
- C. Other disclosures and unusual items – None
- D. Business interruption insurance recoveries – None
- E. State transferable and non-transferable tax credits – None
- F. Subprime mortgage related risk exposure – None
- G. Retained assets – None
- H. Insurance-Linked Securities (ILS) Contracts – None

NOTES TO FINANCIAL STATEMENTS

22) EVENTS SUBSEQUENT

The Company follows established guidelines for accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued. The Company has evaluated subsequent events for recognition or disclosure in these financial statements through the date of their issuance on February 27, 2017.

23) REINSURANCE

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$_____.

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$60,696,668

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$13,259,796 increase to surplus.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$_____

B. Uncollectible Reinsurance

Not applicable

C. Commutation of Ceded Reinsurance

Not applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable

24) RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

Not applicable

NOTES TO FINANCIAL STATEMENTS

25) CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Reserves for incurred claims attributable to insured events of prior years of \$(3,683,688) and \$(2,451,714) unfavorably impacted 2016 and 2015 results of operations as a result of re-estimation of unpaid claims. The unfavorable impact is the result of ongoing analysis of recent loss development trends. Original estimates are revised as additional information becomes available.

26) INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

27) STRUCTURED SETTLEMENTS

Not applicable

28) HEALTH CARE RECEIVABLES

Not applicable

29) PARTICIPATING POLICIES

Not applicable

30) PREMIUM DEFICIENCY RESERVES

Not applicable

31) ANTICIPATED SALVAGE AND SUBROGATION

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? New Jersey.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).02/10/2017
- 3.4 By what department or departments? New Jersey Department of Banking and Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.11 sales of new business? Yes [] No [X]
 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.21 sales of new business? Yes [] No [X]
 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information _____
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,0.0
 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Ernst & Young, LLP, 5 Times Square, New York, NY 10036-6530.....
 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [X] N/A []
 10.6 If the response to 10.5 is no or n/a, please explain

The Audit Committee of Horizon BCBSNJ, the reporting entity's ultimate parent, is designated as the Audit Committee for the reporting entity.....

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Gary H. Lin (Vice President and Chief Actuary), Horizon BCBSNJ, 3 Penn Plaza East, Newark, NJ 07105-2248.....
 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved0
 12.13 Total book/adjusted carrying value \$0

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.

- 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
 The changes are largely focused on the addition of Enterprise Risk language and strengthening non-retaliation and IT asset control.....
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|--------|
| 20.11 To directors or other officers | \$ | _____0 |
| 20.12 To stockholders not officers | \$ | _____0 |
| 20.13 Trustees, supreme or grand (Fraternal only) | \$ | _____0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|--------|
| 20.21 To directors or other officers | \$ | _____0 |
| 20.22 To stockholders not officers | \$ | _____0 |
| 20.23 Trustees, supreme or grand (Fraternal only) | \$ | _____0 |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|----------------------------|----|--------|
| 21.21 Rented from others | \$ | _____0 |
| 21.22 Borrowed from others | \$ | _____0 |
| 21.23 Leased from others | \$ | _____0 |
| 21.24 Other | \$ | _____0 |
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- | | | |
|--|----|------------------|
| 22.21 Amount paid as losses or risk adjustment | \$ | _____(6,135,569) |
| 22.22 Amount paid as expenses | \$ | _____0 |
| 22.23 Other amounts paid | \$ | _____0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$_____0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$_____
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$_____
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | |
|--|----|--------|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | _____0 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | _____0 |
| 24.103 Total payable for securities lending reported on the liability page | \$ | _____0 |

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	\$.....0
25.22 Subject to reverse repurchase agreements	\$.....0
25.23 Subject to dollar repurchase agreements	\$.....0
25.24 Subject to reverse dollar repurchase agreements	\$.....0
25.25 Placed under option agreements	\$.....0
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$.....0
25.27 FHLB Capital Stock	\$.....0
25.28 On deposit with states	\$.....130,296
25.29 On deposit with other regulatory bodies	\$.....0
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$.....0
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$.....0
25.32 Other	\$.....0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No

27.2 If yes, state the amount thereof at December 31 of the current year. \$.....

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes No

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan.....	New York, NY.....
Bank of America.....	New York, NY.....
Wells Fargo.....	San Francisco, CA.....
TD Bank.....	Cherry Hill, NJ.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
ICD.....	San Francisco, CA.....	The company utilized International Cash Distributors for its short-term investments.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1 Name of Firm or Individual	2 Affiliation
PACIFIC INVESTMENT MANAGEMENT COMPANY LLC.....	U.....
Black Rock, Inc.....	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s assets? Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity’s assets? Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104559.....	PACIFIC INVESTMENT MANAGEMENT COMPANY LLC.....	549300KGPYQZXGMYYN38.....	U.S. Securities and Exchange Commission.....	NO.....
107105.....	Black Rock, Inc.....	549300LVXYIVJKE13M84.....	U.S. Securities and Exchange Commission.....	NO.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund’s Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	101,769,493	101,525,940	(243,553)
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	101,769,493	101,525,940	(243,553)

30.4 Describe the sources or methods utilized in determining the fair values:

Download of pricing from Interactive Data Corp.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker’s or custodian’s pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity’s process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Download of pricing from Interactive Data Corp.....

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$84,145
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Blue Cross Blue Shield Association.....	\$84,145

- 34.1 Amount of payments for legal expenses, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No []
- 1.2 If yes, indicate premium earned on U.S. business only. \$278,385,369
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$0
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$225,430,448
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$67,265,918
- 1.62 Total incurred claims \$66,498,563
- 1.63 Number of covered lives27,999
- All years prior to most current three years:
- 1.64 Total premium earned \$211,119,451
- 1.65 Total incurred claims \$158,931,885
- 1.66 Number of covered lives67,892
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives0

2. Health Test:

	1		2
	Current Year		Prior Year
2.1 Premium Numerator	\$64,514,513		\$220,234,954
2.2 Premium Denominator	\$64,514,513		\$220,234,954
2.3 Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4 Reserve Numerator	\$7,027,503		\$24,241,445
2.5 Reserve Denominator	\$7,027,503		\$24,241,445
2.6 Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No []
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No []
- 5.2 If no, explain:
Entity has a 90% quota share reinsurance agreement with the parent company.
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$0
- 5.32 Medical Only \$0
- 5.33 Medicare Supplement \$0
- 5.34 Dental and Vision \$0
- 5.35 Other Limited Benefit Plan \$0
- 5.36 Other \$0
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Hold harmless provisions in contracts.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [] No []
- 7.2 If no, give details
The reporting entity utilizes actuarial triangles
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year38,617
- 8.2 Number of providers at end of reporting year40,292
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No []
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months0
- 9.22 Business with rate guarantees over 36 months0

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No [X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....0
- 10.22 Amount actually paid for year bonuses \$.....0
- 10.23 Maximum amount payable withholds \$.....0
- 10.24 Amount actually paid for year withholds \$.....0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No []
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above)? Yes [] No [X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. New Jersey.....
- 11.4 If yes, show the amount required. \$.....2,544,319
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation
See Risk Based Capital calculation
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
All 21 counties in the state of New Jersey.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes [] No [] N/A [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for Individual ordinary life insurance* policies (U.S. business Only) for the current year:
- 15.1 Direct Premium Written (prior to reinsurance ceded) \$.....0
- 15.2 Total incurred claims \$.....0
- 15.3 Number of covered lives0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE - YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	123,827,324	141,411,264	71,497,705	68,036,373	0
2. Total liabilities (Page 3, Line 24).....	96,570,348	115,904,689	55,220,007	58,154,488	0
3. Statutory minimum capital and surplus requirement.....	2,544,319	6,107,418	6,403,388	4,045,540	0
4. Total capital and surplus (Page 3, Line 33).....	27,256,977	25,506,577	16,277,698	9,881,886	0
Income Statement (Page 4)					
5. Total revenues (Line 8).....	64,084,122	220,270,533	258,675,758	122,589,045	0
6. Total medical and hospital expenses (Line 18).....	55,326,494	184,904,420	216,365,426	96,671,549	0
7. Claims adjustment expenses (Line 20).....	1,594,040	3,974,500	4,692,223	2,487,913	0
8. Total administrative expenses (Line 21).....	8,348,116	21,815,313	31,640,647	17,952,348	0
9. Net underwriting gain (loss) (Line 24).....	(1,184,528)	9,576,300	5,977,462	5,477,235	0
10. Net investment gain (loss) (Line 27).....	3,634,629	1,492,898	1,855,036	71,677	0
11. Total other income (Lines 28 plus 29).....	398,705	439,901	1,200,467	85,231	0
12. Net income or (loss) (Line 32).....	3,246,054	9,104,850	7,449,559	1,466,537	0
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(30,253,415)	(4,459,760)	4,622,802	58,416,230	0
Risk-Based Capital Analysis					
14. Total adjusted capital.....	27,256,977	25,506,577	16,277,698	9,881,886	0
15. Authorized control level risk-based capital.....	2,544,319	6,107,418	6,403,388	4,045,540	0
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	196,395	173,901	109,133	91,543	0
17. Total members months (Column 6, Line 7).....	2,316,449	1,566,424	1,254,752	533,129	0
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19).....	86.3	83.9	83.6	78.9	0.0
20. Cost containment expenses.....	1.6	0.3	0.0	0.0	0.0
21. Other claims adjustment expenses.....	0.9	1.5	1.8	2.0	0.0
22. Total underwriting deductions (Line 23).....	101.8	95.7	97.7	95.5	0.0
23. Total underwriting gain (loss) (Line 24).....	(1.8)	4.3	2.3	4.5	0.0
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5).....	6,104,969	25,528,402	20,963,992	0	0
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)].....	11,182,167	53,040,000	23,515,000	0	0
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1).....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1).....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10).....	0	0	0	0	0
30. Affiliated mortgage loans on real estate.....	0	0	0	0	0
31. All other affiliated.....	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors?..... Yes [] No []

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama.....AL								0	0	
2. Alaska.....AK								0	0	
3. Arizona.....AZ								0	0	
4. Arkansas.....AR								0	0	
5. California.....CA								0	0	
6. Colorado.....CO								0	0	
7. Connecticut.....CT								0	0	
8. Delaware.....DE								0	0	
9. District of Columbia.....DC								0	0	
10. Florida.....FL								0	0	
11. Georgia.....GA								0	0	
12. Hawaii.....HI								0	0	
13. Idaho.....ID								0	0	
14. Illinois.....IL								0	0	
15. Indiana.....IN								0	0	
16. Iowa.....IA								0	0	
17. Kansas.....KS								0	0	
18. Kentucky.....KY								0	0	
19. Louisiana.....LA								0	0	
20. Maine.....ME								0	0	
21. Maryland.....MD								0	0	
22. Massachusetts.....MA								0	0	
23. Michigan.....MI								0	0	
24. Minnesota.....MN								0	0	
25. Mississippi.....MS								0	0	
26. Missouri.....MO								0	0	
27. Montana.....MT								0	0	
28. Nebraska.....NE								0	0	
29. Nevada.....NV								0	0	
30. New Hampshire.....NH								0	0	
31. New Jersey.....NJ	L	319,944,182	301,403,800					621,347,982	0	
32. New Mexico.....NM								0	0	
33. New York.....NY								0	0	
34. North Carolina.....NC								0	0	
35. North Dakota.....ND								0	0	
36. Ohio.....OH								0	0	
37. Oklahoma.....OK								0	0	
38. Oregon.....OR								0	0	
39. Pennsylvania.....PA								0	0	
40. Rhode Island.....RI								0	0	
41. South Carolina.....SC								0	0	
42. South Dakota.....SD								0	0	
43. Tennessee.....TN								0	0	
44. Texas.....TX								0	0	
45. Utah.....UT								0	0	
46. Vermont.....VT								0	0	
47. Virginia.....VA								0	0	
48. Washington.....WA								0	0	
49. West Virginia.....WV								0	0	
50. Wisconsin.....WI								0	0	
51. Wyoming.....WY								0	0	
52. American Samoa.....AS								0	0	
53. Guam.....GU								0	0	
54. Puerto Rico.....PR								0	0	
55. U.S. Virgin Islands.....VI								0	0	
56. Northern Mariana Islands.....MP								0	0	
57. Canada.....CAN								0	0	
58. Aggregate other alien.....OT	XXX	0	0	0	0	0	0	0	0	
59. Subtotal.....	XXX	319,944,182	301,403,800	0	0	0	0	621,347,982	0	
60. Reporting entity contributions for Employee Benefit Plans.....	XXX							0		
61. Total (Direct Business).....	(a) 1	319,944,182	301,403,800	0	0	0	0	621,347,982	0	
DETAILS OF WRITE-INS										
58001.....	XXX									
58002.....	XXX									
58003.....	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0	0	0	
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above).....	XXX	0	0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc. situs of contracts.

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

NAIC#	Federal Employee #	
-----	-----	
55069	22-0999690	I. Horizon Healthcare Services, Inc. (1)
	22-2561496	A. Horizon Healthcare Plan Holding Company, Inc.
95529	22-2651245	1. Horizon Healthcare of New Jersey, Inc. (2)
11146	22-3331515	2. Horizon Healthcare Dental, Inc. (3)
	22-3346524	3. Horizon Casualty Services, Inc.
14690	46-1362174	4. Horizon Insurance Company
	13-4290405	C. Enterprise Property Holdings, LLC
	27-1179993	D. Three Penn Plaza Property Holdings Urban Renewal, LLC
	20-0252405	E. Horizon Charitable Foundation, Inc.
	46-2605607	F. Multistate Professional Services, Inc.
	47-4428396	G. Multistate Investment Services, Inc.

(1) Horizon Healthcare Services, Inc., a New Jersey domestic health service corporation, d/b/a Horizon Blue Cross Blue Shield of New Jersey.

(2) Horizon Healthcare of New Jersey, Inc., a New Jersey domestic health maintenance organization.

Horizon Healthcare Dental, Inc., a New Jersey domestic dental plan organization.

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ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2016
 OF THE CONDITION AND AFFAIRS OF THE

Horizon Insurance Company

NAIC Group Code 01202 , 01202 NAIC Company Code 14690 Employer's ID Number 46-1362174
(Current Period) (Prior Period)

Organized under the Laws of New Jersey , State of Domicile or Port of Entry New Jersey
 Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
 Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization []
 Other [] Is HMO, Federally Qualified? Yes [] No []

Incorporated/Organized 10/11/2012 Commenced Business 12/31/2012

Statutory Home Office 3 Penn Plaza East PP-15D , Newark, NJ, US 07105-2248
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3 Penn Plz E Ste PP-15D
(Street and Number)
Newark, NJ, US 07105-2248 973-466-5607
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 3 Penn Plz E Ste PP-15D , Newark, NJ, US 07105-2248
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3 Penn Plz E Ste PP-15D
(Street and Number)
Newark, NJ, US 07105-2248 973-466-5607
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.horizonblue.com

Statutory Statement Contact Thomas D. Protentis , 973-466-5607
(Name) (Area Code) (Telephone Number) (Extension)
thomas_protentis@horizonblue.com 973-466-8453
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Kevin Patrick Conlin</u>	<u>CFO</u>	<u>Linda Anne Willett</u>	<u>Secretary</u>
<u>David Robert Huber</u>	<u>CFO and Treasurer</u>	<u>Erhardt Hsiao Lin Preitauer</u>	<u>President</u>

OTHER OFFICERS

<u>Robert Anthony Marino</u>	<u>Chairman</u>	<u>Joseph John Albano</u>	<u>Executive Vice President</u>
<u>Jai Prasad Pillai</u>	<u>Executive Vice President</u>	<u>Michael John Considine</u>	<u>Vice President</u>

DIRECTORS OR TRUSTEES

<u>Robert Anthony Marino</u>	<u>Erhardt Hsiao Lin Preitauer</u>	<u>Kevin Patrick Conlin</u>	<u>David Robert Huber</u>
<u>Christopher Michael Lepre</u>			

State of New Jersey
 County of Essex

ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kevin Patrick Conlin
 CEO

Linda Anne Willett
 Secretary

David Robert Huber
 CFO and Treasurer

Subscribed and sworn to before me this _____ day of _____,

- a. Is this an original filing? Yes [] No []
 b. If no:
 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	1,236,438	1.195	1,236,438		1,236,438	1.195
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.000			0	0.000
1.22 Issued by U.S. government sponsored agencies		0.000			0	0.000
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	217,930	0.211	217,930		217,930	0.211
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations		0.000			0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000			0	0.000
1.43 Revenue and assessment obligations	349,579	0.338	349,579		349,579	0.338
1.44 Industrial development and similar obligations		0.000			0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	7,299,786	7.058	7,299,786		7,299,786	7.058
1.512 Issued or guaranteed by FNMA and FHLMC	47,412,010	45.840	47,412,010		47,412,010	45.840
1.513 All other		0.000			0	0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000			0	0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000			0	0.000
1.523 All other	250,000	0.242	250,000		250,000	0.242
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	32,528,898	31.451	32,528,898		32,528,898	31.451
2.2 Unaffiliated non-U.S. securities (including Canada)	11,578,284	11.194	11,578,284		11,578,284	11.194
2.3 Affiliated securities		0.000			0	0.000
3. Equity interests:						
3.1 Investments in mutual funds		0.000			0	0.000
3.2 Preferred stocks:						
3.21 Affiliated		0.000			0	0.000
3.22 Unaffiliated		0.000			0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.000			0	0.000
3.32 Unaffiliated		0.000			0	0.000
3.4 Other equity securities:						
3.41 Affiliated		0.000			0	0.000
3.42 Unaffiliated		0.000			0	0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.000			0	0.000
3.52 Unaffiliated		0.000			0	0.000
4. Mortgage loans:						
4.1 Construction and land development		0.000			0	0.000
4.2 Agricultural		0.000			0	0.000
4.3 Single family residential properties		0.000			0	0.000
4.4 Multifamily residential properties		0.000			0	0.000
4.5 Commercial loans		0.000			0	0.000
4.6 Mezzanine real estate loans		0.000			0	0.000
5. Real estate investments:						
5.1 Property occupied by company		0.000	0		0	0.000
5.2 Property held for production of income (including \$ _____ of property acquired in satisfaction of debt)		0.000	0		0	0.000
5.3 Property held for sale (including \$ _____ property acquired in satisfaction of debt)		0.000	0		0	0.000
6. Contract loans		0.000	0		0	0.000
7. Derivatives		0.000	0		0	0.000
8. Receivables for securities		0.000	0		0	0.000
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000	0	XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	2,555,411	2.471	2,555,411		2,555,411	2.471
11. Other invested assets		0.000			0	0.000
12. Total invested assets	103,428,337	100.000	103,428,337	0	103,428,337	100.000

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0	0
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13.....	0	
3.2 Totals, Part 3, Column 11.....	0	0
4. Total gain (loss) on disposals, Part 3, Column 18.....		0
5. Deduct amounts received on disposals, Part 3, Column 15.....		0
6. Total foreign exchange change in book/adjusted carrying value:		
6.1 Totals, Part 1, Column 15.....	0	
6.2 Totals, Part 3, Column 13.....	0	0
7. Deduct current year's other-than-temporary impairment recognized:		
7.1 Totals, Part 1, Column 12.....	0	
7.2 Totals, Part 3, Column 10.....	0	0
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11.....	0	
8.2 Totals, Part 3, Column 9.....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....		0
10. Deduct total nonadmitted amounts.....		0
11. Statement value at end of current period (Line 9 minus Line 10).....		0

NONE

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 8).....	0	0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12.....	0	
3.2 Totals, Part 3, Column 11.....	0	0
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9.....	0	
5.2 Totals, Part 3, Column 8.....	0	0
6. Total gain (loss) on disposals, Part 3, Column 18.....		0
7. Deduct amounts received on disposals, Part 3, Column 15.....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1 Totals, Part 1, Column 13.....	0	
9.2 Totals, Part 3, Column 13.....	0	0
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 11.....	0	
10.2 Totals, Part 3, Column 10.....	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....		0
14. Deduct total nonadmitted amounts.....		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....		0

NONE

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0	0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16.....	0	
3.2 Totals, Part 3, Column 12.....	0	0
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13.....	0	
5.2 Totals, Part 3, Column 9.....	0	0
6. Total gain (loss) on disposals, Part 3, Column 19.....		0
7. Deduct amounts received on disposals, Part 3, Column 16.....		0
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17.....	0	
9.2 Totals, Part 3, Column 14.....	0	0
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 15.....	0	
10.2 Totals, Part 3, Column 11.....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....		0

NONE

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year.....		94,394,194
2. Cost of bonds and stocks acquired, Part 3, Column 7.....		162,926,432
3. Accrual of discount.....		55,523
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12.....	(14,382)	
4.2 Part 2, Section 1, Column 15.....	0	
4.3 Part 2, Section 2, Column 13.....	0	
4.4 Part 4, Column 11.....	13,728	(654)
5. Total gain (loss) on disposals, Part 4, Column 19.....		1,016,668
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....		156,733,108
7. Deduct amortization of premium.....		786,129
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15.....	0	
8.2 Part 2, Section 1, Column 19.....	0	
8.3 Part 2, Section 2, Column 16.....	0	
8.4 Part 4, Column 15.....	0	0
9. Deduct current year's other-than-temporary impairment recognized:		
9.1 Part 1, Column 14.....	0	
9.2 Part 2, Section 1, Column 17.....	0	
9.3 Part 2, Section 2, Column 14.....	0	
9.4 Part 4, Column 13.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		100,872,926
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11).....		100,872,926

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks **OWNED** December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	8,536,224	8,491,783	8,533,062	8,232,429
	2. Canada	0	0	0	0
	3. Other Countries	217,930	219,100	220,900	200,000
	4. Totals	8,754,154	8,710,883	8,753,962	8,432,429
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	47,761,589	47,650,220	47,757,375	46,150,136
Industrial and Miscellaneous, SVO Identified Funds and Hybrid Securities (unaffiliated)	8. United States	32,778,898	32,665,766	32,945,739	31,740,701
	9. Canada	1,749,670	1,770,964	1,749,340	1,690,887
	10. Other Countries	9,828,614	9,827,127	9,903,049	9,615,000
	11. Totals	44,357,183	44,263,857	44,598,128	43,046,587
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	100,872,926	100,624,960	101,109,465	97,629,153
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States	0	0	0	
	15. Canada	0	0	0	
	16. Other Countries	0	0	0	
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. Total Preferred Stocks	0	0	0	
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States	0	0	0	
	21. Canada	0	0	0	
	22. Other Countries	0	0	0	
	23. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	
	25. Total Common Stocks	0	0	0	
	26. Total Stocks	0	0	0	
	27. Total Bonds and Stocks	100,872,926	100,624,960	101,109,465	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. U.S. Governments												
1.1 NAIC 1	1,082,105	3,466,508	2,495,363	1,242,211	250,038	XXX	8,536,224	8.4	29,528,154	29.3	8,536,224	0
1.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.7 Totals	1,082,105	3,466,508	2,495,363	1,242,211	250,038	XXX	8,536,224	8.4	29,528,154	29.3	8,536,224	0
2. All Other Governments												
2.1 NAIC 1	0	0	217,930	0	0	XXX	217,930	0.2	0	0.0	0	217,930
2.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	220,081	0.2	0	0
2.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.7 Totals	0	0	217,930	0	0	XXX	217,930	0.2	220,081	0.2	0	217,930
3. U.S. States, Territories and Possessions, etc., Guaranteed												
3.1 NAIC 1	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 NAIC 1	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 NAIC 1	7,837,839	20,580,939	11,968,945	6,234,722	1,139,143	XXX	47,761,589	46.9	26,834,707	26.6	47,761,589	0
5.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.7 Totals	7,837,839	20,580,939	11,968,945	6,234,722	1,139,143	XXX	47,761,589	46.9	26,834,707	26.6	47,761,589	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col.7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)												
6.1 NAIC 1	1,456,626	7,441,069	5,209,565	1,322,402	2,763,822	XXX	18,193,484	17.9	26,610,251	26.4	16,057,509	2,135,975
6.2 NAIC 2	552,458	6,974,441	12,601,093	723,555	5,519,986	XXX	26,371,533	25.9	17,309,551	17.2	21,614,752	4,756,781
6.3 NAIC 3	0	150,204	411,648	0	96,632	XXX	658,484	0.6	420,000	0.4	583,484	75,000
6.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.7 Totals	2,009,084	14,565,713	18,222,306	2,045,957	8,380,441	XXX	45,223,501	44.5	44,339,802	43.9	38,255,745	6,967,756
7. Hybrid Securities												
7.1 NAIC 1	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates												
8.1 NAIC 1	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
9. SVO-Designated Securities												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.7 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. Total Bonds Current Year												
10.1 NAIC 1	(d) 10,376,570	31,488,517	19,891,803	8,799,335	4,153,003	.0	74,709,227	73.4	XXX	XXX	72,355,322	2,353,905
10.2 NAIC 2	(d) 552,458	6,974,441	12,601,093	723,555	5,519,986	.0	26,371,533	25.9	XXX	XXX	21,614,752	4,756,781
10.3 NAIC 3	(d) 0	150,204	411,648	0	96,632	.0	658,484	0.6	XXX	XXX	583,484	75,000
10.4 NAIC 4	(d) 0	0	0	0	0	.0	0	0.0	XXX	XXX	0	0
10.5 NAIC 5	(d) 0	0	0	0	0	(e) .0	0	0.0	XXX	XXX	0	0
10.6 NAIC 6	(d) 0	0	0	0	0	(e) .0	0	0.0	XXX	XXX	0	0
10.7 Totals	10,929,028	38,613,161	32,904,544	9,522,890	9,769,622	(b) .0	101,739,244	100.0	XXX	XXX	94,553,558	7,185,686
10.8 Line 10.7 as a % of Col. 7	10.7	38.0	32.3	9.4	9.6	0.0	100.0	XXX	XXX	XXX	92.9	7.1
11. Total Bonds Prior Year												
11.1 NAIC 1	12,092,403	24,026,071	30,396,711	8,654,225	7,803,702	XXX	XXX	XXX	82,973,113	82.2	77,353,502	5,619,610
11.2 NAIC 2	1,041,906	4,951,420	8,154,179	447,640	2,934,486	XXX	XXX	XXX	17,529,631	17.4	14,515,832	3,013,800
11.3 NAIC 3	124,500	137,813	157,688	0	0	XXX	XXX	XXX	420,000	0.4	420,000	0
11.4 NAIC 4	0	0	0	0	0	XXX	XXX	XXX	0	0.0	0	0
11.5 NAIC 5	0	0	0	0	0	XXX	XXX	XXX	(e) 0	0.0	0	0
11.6 NAIC 6	0	0	0	0	0	XXX	XXX	XXX	(e) 0	0.0	0	0
11.7 Totals	13,258,809	29,115,304	38,708,578	9,101,865	10,738,188	XXX	XXX	XXX	(b) 100,922,744	100.0	92,289,334	8,633,410
11.8 Line 11.7 as a % of Col. 9	13.1	28.9	38.4	9.0	10.6	XXX	XXX	XXX	100.0	XXX	91.5	8.6
12. Total Publicly Traded Bonds												
12.1 NAIC 1	10,000,290	30,720,190	18,853,890	8,739,539	4,041,413	.0	72,355,322	71.1	77,353,502	76.7	72,355,322	XXX
12.2 NAIC 2	0	6,172,290	9,683,855	652,785	5,105,822	.0	21,614,752	21.2	14,515,832	14.4	21,614,752	XXX
12.3 NAIC 3	0	150,204	336,648	0	96,632	.0	583,484	0.6	420,000	0.4	583,484	XXX
12.4 NAIC 4	0	0	0	0	0	.0	0	0.0	0	0.0	0	XXX
12.5 NAIC 5	0	0	0	0	0	.0	0	0.0	0	0.0	0	XXX
12.6 NAIC 6	0	0	0	0	0	.0	0	0.0	0	0.0	0	XXX
12.7 Totals	10,000,290	37,042,684	28,874,393	9,392,324	9,243,868	.0	94,553,558	92.9	92,289,334	91.5	94,553,558	XXX
12.8 Line 12.7 as a % of Col. 7	10.6	39.2	30.5	9.9	9.8	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	9.8	36.4	28.4	9.2	9.1	0.0	92.9	XXX	XXX	XXX	92.9	XXX
13. Total Privately Placed Bonds												
13.1 NAIC 1	376,280	768,326	1,037,913	59,795	111,590	.0	2,353,905	2.3	5,619,610	5.6	XXX	2,353,905
13.2 NAIC 2	552,458	802,151	2,917,238	70,770	414,164	.0	4,756,781	4.7	3,013,800	3.0	XXX	4,756,781
13.3 NAIC 3	0	0	75,000	0	0	.0	75,000	0.1	0	0.0	XXX	75,000
13.4 NAIC 4	0	0	0	0	0	.0	0	0.0	0	0.0	XXX	0
13.5 NAIC 5	0	0	0	0	0	.0	0	0.0	0	0.0	XXX	0
13.6 NAIC 6	0	0	0	0	0	.0	0	0.0	0	0.0	XXX	0
13.7 Totals	928,739	1,570,477	4,030,151	130,566	525,754	.0	7,185,686	7.1	8,633,410	8.6	XXX	7,185,686
13.8 Line 13.7 as a % Col. 7	12.9	21.9	56.1	1.8	7.3	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.9	1.5	4.0	0.1	0.5	0.0	7.1	XXX	XXX	XXX	XXX	7.1

(a) Includes \$ 7,185,686 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 866,318 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0 .

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.6	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. U.S. Governments												
1.1 Issuer Obligations	0	546,858	689,580	0	0	XXX	1,236,438	1.2	19,546,182	19.4	1,236,438	0
1.2 Residential Mortgage-Backed Securities	1,082,105	2,919,650	1,805,783	1,242,211	250,038	XXX	7,299,786	7.2	9,981,973	9.9	7,299,786	0
1.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.5 Totals	1,082,105	3,466,508	2,495,363	1,242,211	250,038	XXX	8,536,224	8.4	29,528,154	29.3	8,536,224	0
2. All Other Governments												
2.1 Issuer Obligations	0	0	217,930	0	0	XXX	217,930	0.2	220,081	0.2	0	217,930
2.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.5 Totals	0	0	217,930	0	0	XXX	217,930	0.2	220,081	0.2	0	217,930
3. U.S. States, Territories and Possessions, Guaranteed												
3.1 Issuer Obligations	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 Issuer Obligations	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 Issuer Obligations	0	0	0	0	349,579	XXX	349,579	0.3	350,217	0.4	349,579	0
5.2 Residential Mortgage-Backed Securities	7,837,839	20,580,939	11,968,945	6,234,722	789,564	XXX	47,412,010	46.6	26,484,491	26.2	47,412,010	0
5.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.5 Totals	7,837,839	20,580,939	11,968,945	6,234,722	1,139,143	XXX	47,761,589	46.9	26,834,707	26.6	47,761,589	0
6. Industrial and Miscellaneous												
6.1 Issuer Obligations	1,578,694	13,846,851	17,554,493	1,399,791	7,970,766	XXX	42,350,595	41.6	42,531,654	42.1	36,709,329	5,641,266
6.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.3 Commercial Mortgage-Backed Securities	250,000	0	0	0	0	XXX	250,000	0.2	361,251	0.4	0	250,000
6.4 Other Loan-Backed and Structured Securities	180,390	718,862	667,814	646,165	409,675	XXX	2,622,906	2.6	1,446,896	1.4	1,546,416	1,076,490
6.5 Totals	2,009,084	14,565,713	18,222,306	2,045,957	8,380,441	XXX	45,223,501	44.5	44,339,802	43.9	38,255,745	6,967,756
7. Hybrid Securities												
7.1 Issuer Obligations	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates												
8.1 Issuer Obligations	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues												
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.6	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
9. SVO Identified Funds												
9.1 Exchange Traded Funds Identified by the SVO.....	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.2 Bond Mutual Funds Identified by the SVO.....	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.3 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10. Total Bonds Current Year												
10.1 Issuer Obligations	1,578,694	14,393,710	18,462,003	1,399,791	8,320,345	XXX	44,154,543	43.4	XXX	XXX	38,295,346	5,859,196
10.2 Residential Mortgage-Backed Securities	8,919,944	23,500,590	13,774,727	7,476,933	1,039,602	XXX	54,711,796	53.8	XXX	XXX	54,711,796	0
10.3 Commercial Mortgage-Backed Securities	250,000	0	0	0	0	XXX	250,000	0.2	XXX	XXX	0	250,000
10.4 Other Loan-Backed and Structured Securities	180,390	718,862	667,814	646,165	409,675	XXX	2,622,906	2.6	XXX	XXX	1,546,416	1,076,490
10.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10.6 Totals	10,929,028	38,613,161	32,904,544	9,522,890	9,769,622	0	101,739,244	100.0	XXX	XXX	94,553,558	7,185,686
10.7 Lines 10.6 as a % Col. 7	10.7	38.0	32.3	9.4	9.6	0.0	100.0	XXX	XXX	XXX	92.9	7.1
11. Total Bonds Prior Year												
11.1 Issuer Obligations	8,676,092	16,681,241	29,510,454	750,941	7,029,405	XXX	XXX	XXX	62,648,133	62.1	55,460,996	7,187,137
11.2 Residential Mortgage-Backed Securities	4,035,828	11,837,185	8,716,573	8,168,094	3,708,783	XXX	XXX	XXX	36,466,463	36.1	36,466,463	0
11.3 Commercial Mortgage-Backed Securities	352,993	8,258	0	0	0	XXX	XXX	XXX	361,251	0.4	111,251	250,000
11.4 Other Loan-Backed and Structured Securities	193,896	588,620	481,551	182,830	0	XXX	XXX	XXX	1,446,896	1.4	250,623	1,196,273
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.6 Totals	13,258,809	29,115,304	38,708,578	9,101,865	10,738,188	XXX	XXX	XXX	100,922,744	100.0	92,289,334	8,633,410
11.7 Line 11.6 as a % of Col. 9	13.1	28.9	38.4	9.0	10.6	XXX	XXX	XXX	100.0	XXX	91.5	8.6
12. Total Publicly Traded Bonds												
12.1 Issuer Obligations	1,026,236	13,318,538	14,826,961	1,329,021	7,794,592	XXX	38,295,346	37.6	55,460,996		38,295,346	XXX
12.2 Residential Mortgage-Backed Securities	8,919,944	23,500,590	13,774,727	7,476,933	1,039,602	XXX	54,711,796	53.8	36,466,463		54,711,796	XXX
12.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	111,251		0	XXX
12.4 Other Loan-Backed and Structured Securities	54,110	223,557	272,705	586,370	409,675	XXX	1,546,416	1.5	250,623		1,546,416	XXX
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	XXX
12.6 Totals	10,000,290	37,042,684	28,874,393	9,392,324	9,243,868	0	94,553,558	92.9	92,289,334		94,553,558	XXX
12.7 Line 11.6 as a % of Col. 7	10.6	39.2	30.5	9.9	9.8	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.8 Line 11.6 as a % of Line 10.6, Col. 7, Section 10	9.8	36.4	28.4	9.2	9.1	0.0	92.9	XXX	XXX	XXX	92.9	XXX
13. Total Privately Placed Bonds												
13.1 Issuer Obligations	552,458	1,075,172	3,635,042	70,770	525,754	XXX	5,859,196	5.8	7,187,137		XXX	5,859,196
13.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0		XXX	0
13.3 Commercial Mortgage-Backed Securities	250,000	0	0	0	0	XXX	250,000	0.2	250,000		XXX	250,000
13.4 Other Loan-Backed and Structured Securities	126,280	495,305	395,109	59,795	0	XXX	1,076,490	1.1	1,196,273		XXX	1,076,490
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	XXX	0
13.6 Totals	928,739	1,570,477	4,030,151	130,566	525,754	0	7,185,686	7.1	8,633,410		XXX	7,185,686
13.7 Line 13.6 as a % of Col. 7	12.9	21.9	56.1	1.8	7.3	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10	0.9	1.5	4.0	0.1	0.5	0.0	7.1	XXX	XXX	XXX	XXX	7.1

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	6,228,580	.0	.0	6,228,580	.0
2. Cost of short-term investments acquired	391,416,131	334,549,104	.0	56,867,027	.0
3. Accrual of discount .....	.10	10	.0	.0	.0
4. Unrealized valuation increase (decrease) .....	.0	.0	.0	.0	.0
5. Total gain (loss) on disposals	5,363	5,363	.0	.0	.0
6. Deduct consideration received on disposals	396,753,368	333,688,010	.0	63,065,358	.0
7. Deduct amortization of premium	149	149	.0	.0	.0
8. Total foreign exchange change in book/adjusted carrying value .....	.0	.0	.0	.0	.0
9. Deduct current year's other-than-temporary impairment recognized .....	.0	.0	.0	.0	.0
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	896,567	866,318	.0	30,249	.0
11. Deduct total nonadmitted amounts .....	.0	.0	.0	.0	.0
12. Statement value at end of current period (Line 10 minus Line 11)	896,567	866,318	0	30,249	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	299,970	299,970	0
2. Cost of cash equivalents acquired.....	29,195,196	29,195,196	0
3. Accrual of discount.....	0	0	0
4. Unrealized valuation increase (decrease).....	0	0	0
5. Total gain (loss) on disposals.....	2,265	2,265	0
6. Deduct consideration received on disposals.....	29,497,431	29,497,431	0
7. Deduct amortization of premium.....	0	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0	0
9. Deduct current year's other-than-temporary impairment recognized.....	0	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0	0
11. Deduct total nonadmitted amounts.....	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
06738E-AN-5	BARCLAYS PLC		C		2FE	206,424		101,2820	200,000	206,181	0	(243)	0	0	4.375	4.004	JJ	4,108	0	07/26/2016	01/12/2026
055650-DB-1	BP CAP MKTS P L C		C		1FE	83,221		97,6670	85,000	83,229	0	8	0	0	3.119	3.410	MN	420	0	12/14/2016	05/04/2026
404280-BB-4	HSBC HLDGS PLC		C		1FE	261,540		100,6830	250,000	261,200	0	(340)	0	0	3.900	3.369	MN	975	4,875	08/30/2016	05/25/2026
780097-BD-2	ROYAL BK SCOTLAND GROUP PLC		C		2FE	196,122		96,0260	200,000	196,239	0	117	0	0	3.875	4.244	MS	2,347	0	10/04/2016	09/12/2023
80281L-AE-5	SANTANDER UK PLC		C		2FE	200,146		97,7860	200,000	200,140	0	(6)	0	0	2.875	2.879	FA	2,332	0	10/20/2016	08/05/2021
89641U-AD-3	TRINITY ACQUISITION PLC		C	1	2FE	49,936		100,9760	50,000	49,944	0	8	0	0	3.500	3.557	MS	515	841	03/17/2016	09/15/2021
3299999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						41,727,004	XXX	41,358,961	40,150,000	41,484,277	(17,088)	(119,162)	0	0	XXX	XXX	XXX	443,584	1,005,732	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
05525U-AA-6	BAMLL COML MTG TR 2014-INLD 144A			4	1FM	250,000		100,3470	250,000	250,000	0	0	0	0	2.054	2.067	MON	242	4,600	12/18/2014	12/17/2029
3499999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities						250,000	XXX	250,866	250,000	250,000	0	0	0	0	XXX	XXX	XXX	242	4,600	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
023772-AB-2	AMER AIRLINES PT TR 2013			4	1FE	171,799		103,0000	170,098	171,191	0	(212)	0	0	4.000	3.845	JJ	3,137	6,804	04/28/2014	01/15/2027
74982N-AA-4	RACE POINT CLO LTD 2011 144A			4	1FE	100,603		100,0900	100,603	100,603	0	0	0	0	1.533	1.564	MJSD	73	2,007	02/28/2014	12/25/2022
009088-AB-1	AIR CANADA 2015-2 144A		A	4	1FE	975,887		1,000,5000	975,887	975,887	0	0	0	4.125	4.167	JD	1,789	40,367	12/01/2015	06/15/2029	
50543L-AA-0	LABRADOR AVIA FIN LTD 2016-1		C	4	1FE	1,372,836		98,4180	1,400,000	1,375,226	0	2,389	0	0	4.300	4.529	MON	0	0	12/08/2016	01/15/2042
3599999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities						2,621,125	XXX	2,654,030	2,646,587	2,622,906	0	2,177	0	0	XXX	XXX	XXX	4,999	49,178	XXX	XXX
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)						44,598,128	XXX	44,263,857	43,046,587	44,357,183	(17,088)	(116,985)	0	0	XXX	XXX	XXX	448,825	1,059,510	XXX	XXX
7799999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						43,532,781	XXX	43,180,243	41,900,000	43,288,224	(14,382)	(121,783)	0	0	XXX	XXX	XXX	454,908	1,037,392	XXX	XXX
7899999 - Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed Securities						54,705,559	XXX	54,539,821	52,832,565	54,711,796	0	(15,829)	0	0	XXX	XXX	XXX	155,274	1,380,510	XXX	XXX
7999999 - Bonds - Total Bonds - Subtotals - Commercial Mortgage-Backed Securities						250,000	XXX	250,866	250,000	250,000	0	0	0	0	XXX	XXX	XXX	242	4,600	XXX	XXX
8099999 - Bonds - Total Bonds - Subtotals - Other Loan-Backed and Structured Securities						2,621,125	XXX	2,654,030	2,646,587	2,622,906	0	2,177	0	0	XXX	XXX	XXX	4,999	49,178	XXX	XXX
8399999 Subtotals - Total Bonds						101,109,465	XXX	100,624,960	97,629,153	100,872,926	(14,382)	(135,434)	0	0	XXX	XXX	XXX	615,424	2,471,680	XXX	XXX

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Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
36179R-VA-4	GNMA PASS-THRU M SINGLE FAMILY		01/04/2016	BARCLAYS CAP INC.	XXX	1,015,860	1,000,001	1,667
36179R-XD-6	GNMA PASS-THRU M SINGLE FAMILY		01/29/2016	BANC OF AMERICA SEC LLC	XXX	264,180	249,488	49
912828-U7-3	UNITED STATES TREAS NTS		12/19/2016	CITIGROUP GBL MKT INC/SAL	XXX	546,821	550,000	125
912828-S5-0	UNITED STATES TREAS NTS TIPS		11/30/2016	UBS WARBURG LLC	XXX	586,687	600,000	285
0599999 - Bonds - U.S. Governments						2,413,548	2,399,488	2,125
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
31320S-WK-0	FHLMC PC GOLD PC 30YR		12/21/2016	JP MORGAN SECS INC-FI	XXX	347,759	342,159	732
3132WJ-FD-8	FHLMC PC GOLD PC 30YR		12/16/2016	RBC DAIN RAUSCHER	XXX	1,568,230	1,600,490	2,667
3132WJ-US-8	FHLMC PC GOLD PC 30YR		12/29/2016	WACHOVIA SECURITIES LLC	XXX	678,792	685,000	1,655
3128MJ-Y6-1	FHLMC PC GOLD COMB 30		12/13/2016	RBC DAIN RAUSCHER	XXX	5,903,612	5,964,186	6,958
3138AJ-UG-5	FNMA PASS-THRU INT 15 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	34,028	32,463	57
3138WE-M3-0	FNMA PASS-THRU INT 15 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	3,095,390	2,999,999	4,500
3138XJ-AU-1	FNMA PASS-THRU INT 15 YEAR		07/28/2016	BANK OF NEW YORK (SALMBS)	XXX	136,116	128,185	187
3138YS-FB-7	FNMA PASS-THRU INT 15 YEAR		07/28/2016	BNP PARIBAS SEC CORP.	XXX	127,798	120,315	175
3140E4-TC-1	FNMA PASS-THRU INT 15 YEAR		07/28/2016	JP MORGAN SECS INC-FI	XXX	731,364	697,263	872
3140EB-V6-5	FNMA PASS-THRU INT 15 YEAR		07/28/2016	BANC OF AMERICA SEC LLC	XXX	193,700	184,696	231
31410B-Y8-3	FNMA PASS-THRU INT 15 YEAR		01/29/2016	BANC OF AMERICA SEC LLC	XXX	423,938	397,977	78
31410C-EC-4	FNMA PASS-THRU INT 15 YEAR		12/01/2016	BANC OF AMERICA SEC LLC	XXX	3,084,375	3,000,000	3,750
31410R-EG-2	FNMA PASS-THRU INT 15 YEAR		01/29/2016	CITIGROUP GBL MKT INC/SAL	XXX	274,206	254,324	57
31419A-MS-3	FNMA PASS-THRU INT 15 YEAR		07/28/2016	MHS/BLACKROCK CORE BOND	XXX	218,770	206,387	301
31419D-E7-2	FNMA PASS-THRU INT 15 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	991,679	946,075	1,656
31419M-BK-6	FNMA PASS-THRU INT 15 YEAR		01/04/2016	NATIONSBANC CAPITAL MARKETS N.C.	XXX	26,814	25,581	45
31371L-JL-4	FNMA PASS-THRU INT 20 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	185,924	168,783	281
31371N-SV-8	FNMA PASS-THRU INT 20 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	440,625	400,000	667
31417Y-LA-3	FNMA PASS-THRU INT 20 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	22,678	20,587	34
31410B-WS-1	FNMA PASS-THRU JUMBO 30 YEAR		01/20/2016	JP MORGAN SECS INC-FI	XXX	1,516,693	1,474,795	3,011
3138E1-JJ-7	FNMA PASS-THRU LNG 30 YEAR		07/28/2016	JP MORGAN SECS INC-FI	XXX	1,037,373	963,178	1,070
3138WB-YV-1	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	985,572	894,704	1,491
3138WE-YJ-2	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	2,235,493	2,108,956	2,812
3138WF-PX-8	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	283,993	267,918	357
3138W6-X9-0	FNMA PASS-THRU LNG 30 YEAR		12/23/2016	NOMURA SEC/FIXED INCOME	XXX	432,017	438,756	1,024
3138WH-GL-0	FNMA PASS-THRU LNG 30 YEAR		06/24/2016	GOLDMAN SACHS & CO.	XXX	968,946	899,972	2,800
3138X5-7B-7	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BANK OF NEW YORK (BOMBS)	XXX	638,260	579,413	966
3138XF-QJ-7	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	9,755	8,856	15
3138YB-KP-7	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	NATIONSBANC CAPITAL MARKETS N.C.	XXX	169,539	159,943	213
3138YJ-W7-7	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	905,949	822,422	1,371
3138YU-2F-7	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	219,635	207,203	276
3140EB-VM-0	FNMA PASS-THRU LNG 30 YEAR		03/23/2016	CITIGROUP GBL MKT INC/SAL	XXX	1,068,275	998,534	2,996
3140EV-K3-0	FNMA PASS-THRU LNG 30 YEAR		08/16/2016	BARCLAYS CAP INC.	XXX	2,891,155	2,675,834	3,865
3140EX-F7-3	FNMA PASS-THRU LNG 30 YEAR		04/28/2016	BANC OF AMERICA SEC LLC	XXX	1,414,898	1,323,494	1,618
31416S-VT-5	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	94,378	85,676	143
31410B-O9-0	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	175,096	165,185	220
31410B-T5-5	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	96,309	90,857	121
31410B-W9-3	FNMA PASS-THRU LNG 30 YEAR		01/07/2016	BANC OF AMERICA SEC LLC	XXX	1,035,469	1,000,000	1,167
31410V-JB-9	FNMA PASS-THRU LNG 30 YEAR		01/04/2016	BARCLAYS CAP INC.	XXX	21,503	19,520	33
3138W9-XY-1	FNMA PASS-THRU SHRT 10 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	99,302	94,735	166
31416X-A5-9	FNMA PASS-THRU SHRT 10 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	35,448	33,818	59
31416Y-UM-8	FNMA PASS-THRU SHRT 10 YEAR		01/04/2016	BANC OF AMERICA SEC LLC	XXX	29,815	28,444	50
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						34,852,671	33,516,684	50,745
Bonds - Industrial and Miscellaneous (Unaffiliated)								
225433-AH-4	CREDIT SUISSE GRP FDG GUERNSEY	C	08/25/2016	CREDIT SUISSE FIRST BOS	XXX	256,835	250,000	4,354
002824-BD-1	ABBOTT LABS.		11/17/2016	BANC OF AMERICA SEC LLC	XXX	224,602	225,000	0
00287Y-AW-9	ABBVIE INC.		10/03/2016	VARIOUS	XXX	99,620	100,000	89
00817Y-AJ-7	AETNA INC NEW		08/08/2016	VARIOUS	XXX	110,398	100,000	1,066
00817Y-AW-8	AETNA INC NEW		10/04/2016	VARIOUS	XXX	99,726	100,000	52
00138C-AC-2	AIG GLOBAL FUNDING		12/08/2016	BANC OF AMERICA SEC LLC	XXX	334,595	335,000	0
00912X-AL-8	AIR LEASE CORP.		10/04/2016	BARCLAYS CAP INC.	XXX	102,762	100,000	769
00912X-AT-1	AIR LEASE CORP.		08/18/2016	JP MORGAN SECS INC-FI	XXX	149,438	150,000	100
015271-AD-1	ALEXANDRIA REAL ESTATE EQ INC.		02/02/2016	WACHOVIA SECURITIES LLC	XXX	1,001,290	1,000,000	5,417
020002-BC-4	ALLSTATE CORP.		12/01/2016	BANC OF AMERICA SEC LLC	XXX	19,915	20,000	0

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Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
023135-A0-9	AMAZON COM INC		03/09/2016	RBC DAIN RAUSCHER	XXX	31,567	28,000	381
026874-DG-9	AMERICAN INTL GROUP INC		02/23/2016	CITIGROUP GBL MKT INC/SAL	XXX	219,798	220,000	0
03027X-AH-3	AMERICAN TOWER CORP NEW		01/08/2016	CITIGROUP GBL MKT INC/SAL	XXX	399,412	400,000	0
03027X-AJ-9	AMERICAN TOWER CORP NEW		03/28/2016	BARCLAYS CAP INC	XXX	52,793	50,000	483
03027X-AK-6	AMERICAN TOWER CORP NEW		10/03/2016	CITIGROUP GBL MKT INC/SAL	XXX	158,939	155,000	1,127
031162-BZ-2	AMGEN INC		10/03/2016	JP MORGAN SECS INC-FI	XXX	31,808	30,000	568
031162-CE-8	AMGEN INC 144A		08/16/2016	PERSHING LLC	XXX	70,155	65,000	547
032511-BN-6	ANADARKO PETE CORP		10/05/2016	CITIGROUP GBL MKT INC/SAL	XXX	114,732	100,000	401
032511-BP-1	ANADARKO PETE CORP		12/14/2016	SCOTIA CAPITAL (USA) INC	XXX	67,781	55,000	948
032654-AK-1	ANALOG DEVICES INC		11/07/2016	BAIRD (ROBERT W) & CO INC	XXX	55,534	50,000	1,067
032654-AN-5	ANALOG DEVICES INC		12/01/2016	CREDIT SUISSE FIRST BOS	XXX	74,525	75,000	0
032654-AP-0	ANALOG DEVICES INC		11/30/2016	CREDIT SUISSE FIRST BOS	XXX	29,804	30,000	0
035242-AJ-5	ANHEUSER BUSCH INBEV FIN INC		01/13/2016	DEUTSCHE BANK SECS	XXX	702,793	705,000	0
035242-AN-6	ANHEUSER BUSCH INBEV FIN INC		07/13/2016	VARIOUS	XXX	158,213	150,000	691
035242-AP-1	ANHEUSER BUSCH INBEV FIN INC		10/03/2016	VARIOUS	XXX	329,607	310,000	2,475
037411-BC-8	APACHE CORP		08/16/2016	VARIOUS	XXX	69,416	70,000	149
037411-AW-5	APACHE CORP SR NT 5.1		10/04/2016	WACHOVIA SECURITIES LLC	XXX	74,007	70,000	357
038222-AH-8	APPLIED MATLS INC		10/28/2016	CITIGROUP GBL MKT INC/SAL	XXX	206,298	200,000	452
00206R-C0-3	AT&T INC		12/20/2016	VARIOUS	XXX	145,380	150,000	2,441
00206R-CT-7	AT&T INC		10/27/2016	VARIOUS	XXX	347,309	325,000	1,653
00206R-DC-3	AT&T INC		07/01/2016	BNP PARIBAS SEC CORP	XXX	182,384	165,000	1,958
05523U-AL-4	BAE SYS HLDGS INC 144A		10/06/2016	PIERPOINT SECURITIES LLC	XXX	27,408	25,000	16
06051G-EE-5	BANK AMER CORP		04/27/2016	FTN FINANCIAL SECURITIES CORP	XXX	572,480	500,000	9,547
06051G-FU-8	BANK AMER CORP		12/07/2016	VARIOUS	XXX	290,146	275,000	1,959
06051G-FW-4	BANK AMER CORP		11/09/2016	BANC OF AMERICA SEC LLC	XXX	616,905	610,000	1,156
06051G-FX-2	BANK AMER CORP		12/07/2016	BANC OF AMERICA SEC LLC	XXX	99,720	100,000	515
06051G-GR-9	BANK AMER CORP		11/04/2016	BANC OF AMERICA SEC LLC	XXX	45,000	45,000	0
06051G-DZ-9	BANK AMER CORP FR 7.625%060119		08/08/2016	VARIOUS	XXX	225,892	195,000	2,786
06849R-AK-8	BARRICK NORTH AMERICA FIN LLC		07/19/2016	VARIOUS	XXX	69,165	60,000	760
07177M-AN-3	BAXALTA INC		10/03/2016	JP MORGAN CHASE/HSBCSI	XXX	41,704	35,000	526
09062X-AC-7	BIOGEN INC		10/03/2016	BANC OF AMERICA SEC LLC	XXX	88,210	85,000	144
09256B-AG-2	BLACKSTONE HLDGS FIN L L C 144A		08/16/2016	UBS WARBURG LLC	XXX	111,673	100,000	889
12189L-AX-9	BURLINGTON NORTHN SANTA FE CP		10/04/2016	BARCLAYS CAP INC	XXX	76,720	65,000	306
15189W-AH-3	CENTERPOINT ENERGY RES CORP SR NT		04/14/2016	GOLDMAN SACHS & CO	XXX	105,009	95,000	1,451
161175-AX-2	CHARTER COMMUNICATIONS OPER		10/03/2016	MORGAN STANLEY & CO INC	XXX	26,137	25,000	181
161175-AY-0	CHARTER COMMUNICATIONS OPER		07/13/2016	JEFFERIES & COMPANY	XXX	222,924	200,000	4,772
161175-BA-1	CHARTER COMMUNICATIONS OPER		10/12/2016	VARIOUS	XXX	98,086	80,000	2,448
125509-BU-2	CIGNA CORPORATION		04/26/2016	DEUTSCHE BANK SECS	XXX	70,895	71,000	90
172967-KU-4	CITIGROUP INC		07/18/2016	CITIGROUP GBL MKT INC/SAL	XXX	119,629	120,000	0
172967-KV-2	CITIGROUP INC		11/10/2016	MORGAN STANLEY & CO INC	XXX	537,986	540,000	3,666
174610-AN-5	CITIZENS FINL GROUP INC		08/04/2016	VARIOUS	XXX	143,494	143,000	64
224044-BY-2	COX COMMUNICATIONS INC 144A		12/21/2016	JP MORGAN SECS INC-FI	XXX	39,010	45,000	71
224044-CG-0	COX COMMUNICATIONS INC 144A		09/08/2016	WACHOVIA SECURITIES LLC	XXX	34,941	35,000	0
22822V-AB-7	CROWN CASTLE INTL CORP NEW		07/13/2016	VARIOUS	XXX	245,463	225,000	3,789
22822V-AD-3	CROWN CASTLE INTL CORP NEW		08/22/2016	CITIGROUP GBL MKT INC/SAL	XXX	59,983	60,000	0
25179M-AU-7	DEVON ENERGY CORP NEW		12/14/2016	VARIOUS	XXX	146,266	160,000	1,489
25272K-AN-3	DIAMOND 1 FIN CORP 144A		10/06/2016	MLPFS	XXX	70,839	60,000	1,769
25272K-AR-4	DIAMOND 1 FIN CORP 144A		12/09/2016	JP MORGAN SECS INC-FI	XXX	30,236	25,000	1,113
25466A-AJ-0	DISCOVER BK		10/04/2016	CITIGROUP GBL MKT INC/SAL	XXX	251,518	250,000	1,677
25470D-AJ-8	DISCOVERY COMMUNICATIONS LLC		08/16/2016	VARIOUS	XXX	134,204	155,000	3,224
257375-AG-0	DOMINION GAS HOLDINGS LLC		08/12/2016	GOLDMAN SACHS & CO	XXX	174,704	170,000	732
26441C-AD-7	DUKE ENERGY CORP NEW		10/28/2016	NETSOUTH SECURITIES (USA), INC	XXX	301,117	275,000	1,813
278062-AE-4	EATON CORP PLC		03/28/2016	GOLDMAN SACHS & CO	XXX	50,232	50,000	859
29103D-AG-1	EMERA US FINANCE LP 144A		06/09/2016	JP MORGAN SECS INC-FI	XXX	89,753	90,000	0
29103D-AK-2	EMERA US FINANCE LP 144A		09/15/2016	VARIOUS	XXX	200,287	200,000	310
292505-AG-9	ENCANA CORP		07/18/2016	BARCLAYS CAP INC	XXX	15,714	15,000	460
29273R-AT-6	ENERGY TRANSFER PRTRNS L P		12/02/2016	BANC OF AMERICA SEC LLC	XXX	140,131	155,000	2,794
29273R-BJ-7	ENERGY TRANSFER PRTRNS L P		08/16/2016	VARIOUS	XXX	102,777	95,000	772
29379V-AW-3	ENTERPRISE PRODS OPER LLC		12/14/2016	SCOTIA CAPITAL (USA) INC	XXX	49,461	50,000	835
29379V-BE-2	ENTERPRISE PRODS OPER LLC		10/11/2016	VARIOUS	XXX	74,730	72,000	432
29379V-BJ-1	ENTERPRISE PRODS OPER LLC		07/18/2016	BANK OF NY/MIZUHO SECS USA TREAS FIN	XXX	16,858	15,000	135
294429-AL-9	EQUIFAX INC		05/05/2016	WACHOVIA SECURITIES LLC	XXX	104,962	105,000	0

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1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
26884T-AN-2	ERAC USA FINANCE COMPANY 144A		08/24/2016	JEFFERIES & COMPANY	XXX	27,342	25,000	.44
30161M-AL-7	EXELON GENERATION CO LLC SR NT 4.2		08/05/2016	WACHOVIA SECURITIES LLC	XXX	226,023	210,000	1,364
31428X-BG-0	FEDEX CORP		10/04/2016	GOLDMAN SACHS & CO	XXX	72,716	70,000	.19
31620M-AS-5	FIDELITY NATL INFORMATION SVCS		08/11/2016	CITIGROUP GBL MKT INC/SAL	XXX	79,989	80,000	.0
31620M-AU-0	FIDELITY NATL INFORMATION SVCS		08/15/2016	RBC DAIN RAUSCHER	XXX	126,041	125,000	.31
337738-AP-3	FISERV INC		03/29/2016	WACHOVIA SECURITIES LLC	XXX	89,526	85,000	1,091
345370-CS-7	FORD MTR CO DEL		12/05/2016	GOLDMAN SACHS & CO	XXX	75,000	75,000	.0
37045X-BD-7	GENERAL MTRS FINL CO INC		10/03/2016	PERSHING LLC	XXX	15,600	15,000	.204
375558-AX-1	GILEAD SCIENCES INC		08/24/2016	BARCLAYS CAP INC	XXX	29,238	25,000	.493
375558-BD-4	GILEAD SCIENCES INC		10/03/2016	VARIOUS	XXX	225,770	210,000	.387
381416-GS-7	GOLDMAN SACHS GROUP INC		04/27/2016	MILPFS	XXX	575,080	500,000	7,826
381416-VP-6	GOLDMAN SACHS GROUP INC		10/04/2016	MORGAN STANLEY & CO INC	XXX	25,576	25,000	.42
381416-VR-2	GOLDMAN SACHS GROUP INC		10/04/2016	VARIOUS	XXX	139,086	130,000	2,009
38143U-8H-7	GOLDMAN SACHS GROUP INC		10/27/2016	CREDIT SUISSE FIRST BOS	XXX	417,964	400,000	2,750
381456-AF-7	GOLDMAN SACHS GROUP INC		12/09/2016	BANK OF NY/MIZUHO SECS USA TREAS FIN	XXX	516,744	515,000	2,500
38141E-AS-8	GOLDMAN SACHS GRP INC MTN BE		02/11/2016	FTN FINANCIAL SECURITIES CORP	XXX	438,952	400,000	9,078
406216-BK-6	HALLIBURTON CO		07/18/2016	JP MORGAN CHASE/HBSCSI	XXX	51,194	45,000	413
42809H-AD-9	HESS CORP SR NT 5.0%41		08/16/2016	WACHOVIA SECURITIES LLC	XXX	25,284	25,000	.16
42824C-AY-5	HEWLETT PACKARD ENTERPRISE		10/06/2016	PERSHING LLC	XXX	72,111	70,000	2,185
459745-GP-4	INTERNATIONAL LEASE FIN CORP		01/27/2016	BANC OF AMERICA SEC LLC	XXX	299,250	300,000	3,423
46623E-KG-3	J P MORGAN CHASE & CO MTN BE		08/03/2016	JP MORGAN SECS INC-FI	XXX	375,000	375,000	.0
46625H-QJ-2	JPMORGAN CHASE & CO		11/10/2016	BARCLAYS CAP INC	XXX	733,287	725,000	3,852
46625H-RV-4	JPMORGAN CHASE & CO		10/20/2016	JP MORGAN SECS INC-FI	XXX	399,344	400,000	.787
46625H-RW-2	JPMORGAN CHASE & CO		12/09/2016	DEUTSCHE BANK SECS	XXX	520,862	515,000	1,541
49456B-AJ-0	KINDER MORGAN INC DEL		08/16/2016	VARIOUS	XXX	187,507	190,000	2,559
50077L-AB-2	KRAFT HEINZ FOODS CO SR NT		10/03/2016	VARIOUS	XXX	35,223	35,000	.80
50077I-AM-8	KRAFT HEINZ FOODS CO SR NT 5.2%45		02/11/2016	STIFFE NICOLAUS & CO INC	XXX	539,120	500,000	2,311
50587K-AA-9	LAFARGEHEOLCIM FIN US LLC 144A		12/07/2016	PIERPOINT SECURITIES LLC	XXX	195,866	200,000	1,556
512807-AR-9	LAM RESEARCH CORP		11/08/2016	JP MORGAN SECS INC-FI	XXX	254,500	250,000	3,053
539830-BL-2	LOCKHEED MARTIN CORP		12/07/2016	VARIOUS	XXX	182,773	165,000	1,745
565849-AM-8	MARATHON OIL CORP		12/14/2016	SCOTIA CAPITAL (USA) INC	XXX	14,280	15,000	.39
571748-AZ-5	MARSH & MCLENNAN COS INC		10/04/2016	BAIRD (ROBERT W) & CO INC	XXX	54,044	50,000	120
58013M-FA-7	MCDONALDS CORP MED TERM NT BE		12/20/2016	VARIOUS	XXX	98,349	90,000	394
585055-BU-9	MEDTRONIC INC		03/28/2016	JP MORGAN SECS INC-FI	XXX	141,064	125,000	257
589331-AN-7	MERCK & CO INC		10/28/2016	PERSHING LLC	XXX	218,916	200,000	3,389
59156R-BN-7	METLIFE INC		12/20/2016	PERSHING LLC	XXX	47,520	50,000	630
594918-BL-7	MICROSOFT CORP		03/28/2016	JEFFERIES & COMPANY	XXX	54,877	50,000	915
61166W-AP-6	MONSANTO CO NEW		10/03/2016	VARIOUS	XXX	126,176	130,000	1,715
617446-7Y-9	MORGAN STANLEY		08/24/2016	MORGAN STANLEY & CO INC	XXX	54,201	50,000	1,033
61746B-EA-0	MORGAN STANLEY		11/09/2016	UBS WARBURG LLC	XXX	608,618	605,000	1,008
61746B-EC-6	MORGAN STANLEY		12/09/2016	BANK OF NY/MIZUHO SECS USA TREAS FIN	XXX	516,808	515,000	1,664
61761J-ZN-2	MORGAN STANLEY		09/23/2016	MORGAN STANLEY & CO INC	XXX	240,835	230,000	3,912
628530-AV-9	MYLAN INC 144A		10/06/2016	VARIOUS	XXX	172,822	175,000	1,322
629568-BC-9	NABORS INDS INC 144A		12/02/2016	MORGAN STANLEY & CO INC	XXX	75,000	75,000	.0
651229-AU-0	NEWELL BRANDS INC		08/04/2016	JP MORGAN CHASE/HBSCSI	XXX	52,428	50,000	564
651229-AW-6	NEWELL RUBBERMAID INC		03/18/2016	GOLDMAN SACHS & CO	XXX	34,929	35,000	.0
654730-BC-6	NISOURCE FIN CORP SR NT 4.8%44		08/18/2016	PERSHING LLC	XXX	87,629	75,000	.80
655044-AJ-4	NOBLE ENERGY INC		12/14/2016	WACHOVIA SECURITIES LLC	XXX	20,061	20,000	.95
66389X-BK-0	ORACLE CORP		07/13/2016	CITIGROUP GBL MKT INC/SAL	XXX	418,287	415,000	241
718546-AL-8	PHILLIPS 66		03/29/2016	PERSHING LLC	XXX	35,613	35,000	645
723787-AM-9	PIONEER NAT RES CO		07/18/2016	PERSHING LLC	XXX	11,008	10,000	.7
72650R-BH-4	PLAINS ALL AMERN PIPELINE L P		07/18/2016	CITIGROUP GBL MKT INC/SAL	XXX	28,441	30,000	637
747525-AK-9	QUALCOMM INC		07/14/2016	BARCLAYS CAP INC	XXX	183,383	165,000	1,298
756109-AS-3	REALTY INCOME CORP		10/04/2016	CITIGROUP GBL MKT INC/SAL	XXX	69,070	70,000	.0
842587-CX-3	SOUTHERN CO		05/19/2016	CITIGROUP GBL MKT INC/SAL	XXX	124,353	125,000	.0
84756N-AG-4	SPECTRA ENERGY PARTNERS LP		10/05/2016	JP MORGAN SECS INC-FI	XXX	25,166	25,000	100
85208N-AA-8	SPRINT SPECTRUM CO LLC 144A		12/21/2016	GOLDMAN SACHS & CO	XXX	260,567	260,000	170
863667-AJ-0	STRYKER CORP		03/03/2016	BANC OF AMERICA SEC LLC	XXX	44,502	45,000	.0
86765B-AT-6	SUNOCO LOGISTICS PARTNERS		07/07/2016	BANK OF NY/MIZUHO SECS USA TREAS FIN	XXX	49,848	50,000	.0
883556-BN-1	THERMO FISHER SCIENTIFIC INC		08/04/2016	PERSHING LLC	XXX	61,936	60,000	580
887317-BB-0	TIME WARNER INC		11/29/2016	CITIGROUP GBL MKT INC/SAL	XXX	29,885	30,000	.0
91324P-CR-1	UNITEDHEALTH GROUP INC		10/04/2016	PERSHING LLC	XXX	41,806	35,000	379

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
92343V-CX-8	VERIZON COMMUNICATIONS INC		10/04/2016	VARIOUS	XXX	248,110	220,000	2,049
92343V-DD-3	VERIZON COMMUNICATIONS INC		09/21/2016	BARCLAYS CAP INC	XXX	97,547	100,000	401
92553P-AP-7	VIACOM INC NEW		09/29/2016	JP MORGAN SECS INC-FI	XXX	64,549	70,000	128
927804-FT-6	VIRGINIA ELEC & PWR CO		07/18/2016	PERSHING LLC	XXX	56,958	50,000	385
949746-RS-2	WELLS FARGO & CO NEW		11/09/2016	BARCLAYS CAP INC	XXX	707,014	700,000	3,451
94974B-GL-8	WELLS FARGO CO MTN BE		08/29/2016	MORGAN STANLEY & CO INC	XXX	83,373	75,000	341
94974B-GU-8	WELLS FARGO CO MTN BE		12/01/2016	WACHOVIA SECURITIES LLC	XXX	49,905	50,000	0
96949L-AC-9	WILLIAMS PARTNERS L P NEW		08/16/2016	STIFEL NICOLAUS & CO INC	XXX	47,189	50,000	1,091
98419M-AJ-9	XYLEM INC		11/23/2016	JP MORGAN SECS INC-FI	XXX	130,467	135,000	585
136385-AL-5	Canadian Nat Res Ltd	C	07/18/2016	PERSHING LLC	XXX	22,495	20,000	438
867229-AE-6	SUNCOR ENERGY INC NEW	D	12/14/2016	VARIOUS	XXX	238,947	185,000	1,065
884903-BO-7	THOMSON REUTERS CORP	D	12/02/2016	JP MORGAN SECS INC-FI	XXX	262,945	250,000	418
50543L-AA-0	LABRADOR AVIA FIN LTD 2016-1		12/08/2016	BANK OF NY/MIZUHO SECS USA TREAS FIN	XXX	1,372,836	1,400,000	0
05578Q-AD-5	BPC E GBL NT 144A	C	02/10/2016	PERSHING LLC	XXX	452,715	500,000	9,438
23636T-AE-0	DANONE 144A	C	10/26/2016	CITIGROUP GBL MKT INC/SAL	XXX	310,000	310,000	0
00772B-AQ-4	AERCAP IRELAND CAPITAL LIMITED	C	10/04/2016	FTN FINANCIAL SECURITIES CORP	XXX	353,844	335,000	6,757
36164Q-NA-2	GE CAPITAL INTERNATIONAL FDG	D	08/18/2016	GOLDMAN SACHS & CO	XXX	286,040	250,000	3,007
82481L-AC-3	SHIRE ACQUISITIONS INVTS IRL	C	09/19/2016	BARCLAYS CAP INC	XXX	304,960	305,000	0
24713G-AD-4	DELPHI AUTOMOTIVE PLC	C	12/06/2016	WACHOVIA SECURITIES LLC	XXX	110,732	120,000	1,159
90351D-AH-0	UBS GROUP AG 144A	C	08/03/2016	UBS WARBURG LLC	XXX	224,865	225,000	0
00507U-AS-0	ACTAVIS FUNDING SCS	C	04/05/2016	VARIOUS	XXX	261,326	255,000	1,252
00507U-AU-5	ACTAVIS FUNDING SCS	C	10/03/2016	CITIGROUP GBL MKT INC/SAL	XXX	22,072	20,000	55
21685W-DF-1	COOPERATIEVE CENTRALE RAIFFEI	C	05/04/2016	PERSHING LLC	XXX	515,915	500,000	0
449786-AY-8	ING BANK NV 144A	C	02/10/2016	JP MORGAN CHASE/HSBCSI	XXX	533,860	500,000	11,358
552081-AM-3	LYONDELLBASELL INDUSTRIES NV	C	10/12/2016	PERSHING LLC	XXX	24,830	25,000	164
62854A-AD-6	MYLAN NV 144A	C	10/04/2016	BANC OF AMERICA SEC LLC	XXX	110,888	110,000	1,424
82758Z-RV-7	SHFI INTERNATIONAL FIN BV	C	12/14/2016	CITIGROUP GBL MKT INC/SAL	XXX	101,038	110,000	1,111
88167A-AD-3	TEVA PHARMACEUTICAL FIN NETH	C	07/18/2016	BARCLAYS CAP INC	XXX	144,516	145,000	0
88167A-AF-8	TEVA PHARMACEUTICAL FIN NETH	C	07/18/2016	BARCLAYS CAP INC	XXX	19,833	20,000	0
22546D-AA-4	CREDIT SUISSE INTERNATIONAL 144A	D	02/10/2016	JP MORGAN SECS INC-FI	XXX	404,800	400,000	578
90261A-AB-8	UBS AG STAMFORD BRH	C	02/10/2016	JP MORGAN SECS INC-FI	XXX	652,500	600,000	22,748
00185A-AH-7	ADN PLC	C	10/04/2016	DEUTSCHE BANK SECS	XXX	43,337	40,000	749
00185A-AK-0	ADN PLC	C	02/23/2016	MORGAN STANLEY & CO INC	XXX	174,951	175,000	0
06738E-AN-5	BARCLAYS PLC	C	07/26/2016	BARCLAYS CAP INC	XXX	206,424	200,000	413
05565Q-DB-1	BP CAP MKTS P L C	C	12/14/2016	MIITSUBISHI UFJ SECURITIES (USA), INC	XXX	83,221	85,000	331
404280-BB-4	HSBC HLDGS PLC	C	08/30/2016	JP MORGAN CHASE/HSBCSI	XXX	261,540	250,000	2,627
780097-BD-2	ROYAL BK SCOTLAND GROUP PLC	C	10/04/2016	JP MORGAN CHASE/GREENWICH	XXX	196,122	200,000	538
80281L-AE-5	SANTANDER UK PLC	C	10/20/2016	BNP PARIBAS SEC CORP	XXX	200,146	200,000	1,278
89641U-AD-3	TRINITY ACQUISITION PLC	C	03/17/2016	JP MORGAN SECS INC-FI	XXX	49,936	50,000	0
8999999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						32,230,935	31,274,000	228,984
8399997 - Bonds - Subtotals - Bonds - Part 3						69,497,154	67,190,172	281,855
8399998 - Bonds - Summary item from Part 5 for Bonds						93,429,278	91,074,207	113,026
8399999 - Bonds - Subtotals - Bonds						162,926,432	158,264,380	394,881
9999999 Totals						162,926,432	XXX	394,881

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21	
											12	13	14	15	16						
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change In B./A. C.V. (12 + 13 - 14)	Total Foreign Exchange Change in B./A. C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends	
771196-BK-7	ROCHE HLDGS INC 144A		02/22/2016	CITIGROUP GBL MKT INC/SAL	08/16/2016	DEUTSCHE BANK SECS	200,000	198,008	206,024	198,090	0	82	0	82	0	0	7,934	7,934	2,450	0	
863667-AN-1	STRYKER CORP		03/03/2016	JP MORGAN SECS INC-FI	09/19/2016	VARIOUS	45,000	44,707	47,491	44,720	0	13	0	13	0	0	2,772	2,772	823	0	
87612E-BF-2	TARGET CORP		04/04/2016	BARCLAYS CAP INC	08/16/2016	VARIOUS	175,000	173,965	180,960	173,992	0	7	0	7	0	0	6,968	6,968	2,230	0	
91159H-HN-3	U S BANCORP MTNS BK ENT		07/19/2016	CITIGROUP GBL MKT INC/SAL	08/16/2016	PERSHING LLC	200,000	198,536	198,196	198,546	0	10	0	10	0	0	(350)	(350)	356	0	
907818-EJ-3	UNION PAC CORP		02/25/2016	MORGAN STANLEY & CO INC	08/17/2016	FTN FINANCIAL SECURITIES CORP	55,000	54,275	60,946	54,281	0	6	0	6	0	0	6,664	6,664	1,058	0	
91324P-CN-0	UNITEDHEALTH GROUP INC		03/09/2016	VARIOUS	09/27/2016	PERSHING LLC	650,000	669,427	699,413	667,678	0	(1,749)	0	(1,749)	0	0	31,735	31,735	15,424	1,475	
92343V-BR-4	VERIZON COMMUNICATIONS INC		04/12/2016	STATE STREET BK & TR CO	07/27/2016	WACHOVIA SECURITIES LLC	300,000	343,616	351,030	342,078	0	(1,539)	0	(1,539)	0	0	8,952	8,952	5,837	1,288	
92343V-BT-0	VERIZON COMMUNICATIONS INC		08/16/2016	CITIGROUP GBL MKT INC/SAL	09/12/2016	PERSHING LLC	30,000	41,136	39,884	41,120	0	(16)	0	(16)	0	0	(1,237)	(1,237)	983	841	
92343V-DG-6	VERIZON COMMUNICATIONS INC		07/27/2016	DEUTSCHE BANK SECS	09/12/2016	CITIGROUP GBL MKT INC/SAL	70,000	69,695	69,362	69,702	0	7	0	7	0	0	(340)	(340)	150	0	
949746-RS-2	WELLS FARGO & CO NEW		10/28/2016	WACHOVIA SECURITIES LLC	11/15/2016	PERSHING LLC	200,000	202,534	200,304	202,508	0	(26)	0	(26)	0	0	(2,204)	(2,204)	1,028	806	
949746-SA-0	WELLS FARGO & CO NEW		07/18/2016	WACHOVIA SECURITIES LLC	09/20/2016	VARIOUS	345,000	344,676	346,175	344,684	0	8	0	8	0	0	1,492	1,492	897	0	
949746-SH-5	WELLS FARGO & CO NEW		10/19/2016	WACHOVIA SECURITIES LLC	11/15/2016	PERSHING LLC	155,000	154,642	150,384	154,644	0	2	0	2	0	0	(4,260)	(4,260)	297	0	
136375-CJ-9	CANADIAN NATL RY CO		02/18/2016	CITIGROUP GBL MKT INC/SAL	08/04/2016	CITIGROUP GBL MKT INC/SAL	105,000	104,598	109,407	104,614	0	16	0	16	0	0	4,793	4,793	1,331	0	
13645R-AU-8	CANADIAN PAC RY CO NEW		04/25/2016	BNP PARIBAS SEC CORP	09/19/2016	BARCLAYS CAP INC	42,000	44,842	47,993	44,821	0	(21)	0	(21)	0	0	3,171	3,171	1,294	449	
056451-AV-0	BHP BILLITON FIN USA LTD		08/24/2016	PERSHING LLC	09/20/2016	MORGAN STANLEY & CO INC	20,000	24,032	22,963	24,021	0	(11)	0	(11)	0	0	(1,058)	(1,058)	478	357	
251541-AN-8	DEUTSCHE BK AG 144A		10/07/2016	DEUTSCHE BANK SECS	11/14/2016	JP MORGAN SECS INC-FI	275,000	274,915	272,685	274,916	0	2	0	2	0	0	(2,232)	(2,232)	1,071	0	
50247V-AC-3	LYB INTERNATIONAL FINANCE B.V		08/24/2016	WACHOVIA SECURITIES LLC	09/20/2016	GOLDMAN SACHS & CO	25,000	27,446	26,323	27,442	0	(3)	0	(3)	0	0	(1,119)	(1,119)	636	555	
62854A-AD-6	MYLAN NV 144A		05/31/2016	DEUTSCHE BANK	09/21/2016	MORGAN STANLEY & CO INC	325,000	322,501	325,574	322,563	0	62	0	62	0	0	2,811	2,811	3,709	0	
62854A-AG-9	MYLAN NV 144A		10/04/2016	VARIOUS	11/15/2016	VARIOUS	90,000	97,048	87,977	97,036	0	(12)	0	(12)	0	0	(9,058)	(9,058)	1,846	1,335	
82258A-BG-4	SHELL INTERNATIONAL FIN BV		07/18/2016	WACHOVIA SECURITIES LLC	10/27/2016	RBC DAIN RAUSCHER	40,000	41,842	39,555	41,833	0	(9)	0	(9)	0	0	(2,278)	(2,278)	760	316	
404280-BA-6	HSBC HLDGS PLC		10/20/2016	MORGAN STANLEY & CO INC	11/03/2016	MLPFS	200,000	207,796	206,830	207,757	0	(39)	0	(39)	0	0	(927)	(927)	3,260	3,000	
76720A-AG-1	RIO TINTO FIN USA PLC		07/13/2016	WACHOVIA SECURITIES LLC	09/20/2016	PERSHING LLC	20,000	21,101	20,113	21,096	0	(5)	0	(5)	0	0	(984)	(984)	484	337	
80281L-AE-5	SANTANDER UK PLC		08/24/2016	NOMURA SEC/FIXED INCOME	11/03/2016	MORGAN STANLEY & CO INC	200,000	200,368	199,740	200,355	0	(13)	0	(13)	0	0	(615)	(615)	1,485	383	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)							14,261,825	14,594,825	14,826,471	14,576,011	0	(18,815)	0	(18,815)	0	0	250,460	250,460	221,650	66,498
8399998	Bonds - Subtotals - Bonds							91,074,207	93,429,278	93,560,574	93,368,914	0	(60,363)	0	(60,363)	0	0	191,659	191,659	403,258	113,026
9999999	Totals								93,429,278	93,560,574	93,368,914	0	(60,363)	0	(60,363)	0	0	191,659	191,659	403,258	113,026

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code	5 ID Number	6 NAIC Valuation Method (See Purposes And Procedures Manual of the NAIC Investment Analysis Office)	7 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	8 Total Amount of Such Intangible Assets	9 Book / Adjusted Carrying Value	10 Nonadmitted Amount	Stock of Such Company Owned by Insurer on Statement Date		
										11 Number of Shares	12 % of Outstanding	
NONE												
1999999 Totals - Preferred and Common Stocks							0	0	0		XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ _____
2. Total amount of intangible assets nonadmitted: \$ _____

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Totals - Preferred and Common				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change In Book/Adjusted Carrying Value				13	14	Interest					21		
		3	4					9	10	11	12			15	16	17	18	19		20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest	
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
	BANK OF NOVA SCOTIA CORPORATE CP	.0		08/19/2016	JP MORGAN SECS INC-FI	02/23/2017	298,150	0	0	0	0	300,000	298,150	0	0	0.000	2.686	N/A	0	0	
	ELECTRICITE DE FRANCE CORPORATE CP	.0		08/16/2016	BARCLAYS CAP INC.	08/09/2017	270,868	0	0	0	0	275,000	270,868	0	0	0.000	2.195	N/A	0	0	
	SWEDBANK AB CORPORATE CP	.0		08/19/2016	BARCLAYS CAP INC.	05/19/2017	297,300	0	0	0	0	300,000	297,300	0	0	0.000	1.945	N/A	0	0	
3299999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						866,318	0	0	0	0	875,000	866,318	0	0	XXX	XXX	XXX	0	0	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)						866,318	0	0	0	0	875,000	866,318	0	0	XXX	XXX	XXX	0	0	
7799999	Bonds - Total Bonds - Subtotals - Issuer Obligations						866,318	0	0	0	0	875,000	866,318	0	0	XXX	XXX	XXX	0	0	
8399999	Bonds - Total Bonds - Subtotals - Bonds						866,318	0	0	0	0	875,000	866,318	0	0	XXX	XXX	XXX	0	0	
Exempt Money Market Mutual Funds - as Identified by the SVO																					
31670A-10-1	FIDELITY INSTITUTIONAL MMF			06/30/2015	Inst Cash Distributors LLC		0	0	0	0	0	0	0	0	0	0.000	0.000	MON	0	0	
	FIDELITY INVESTS INSTL GOVT CL						0	0	0	0	0	0	0	0	0	0.000	0.000	MON	591	0	
316175-10-8				09/30/2016	Inst Cash Distributors LLC		0	0	0	0	0	0	0	0	0	0.000	0.000	MON	591	0	
8899999	Bonds - Exempt Money Market Mutual Funds - as Identified by the SVO						0	0	0	0	0	XXX	0	0	0	XXX	XXX	XXX	591	0	
All Other Money Market Mutual Funds																					
316175-40-5	FIDELITY INVESTS INSTL PRIME MMCL			08/31/2016	Inst Cash Distributors LLC		0	0	0	0	0	0	0	0	0	0.000	0.000	MON	23,445	0	
4812A0-36-7	JPMORGAN FUNDS PRIME MM						0	0	0	0	0	0	0	0	0	0.000	0.000	MON	1,805	0	
711990-33-3	CAPITAL SH			01/31/2016	Inst Cash Distributors LLC		0	0	0	0	0	0	0	0	0	0.000	0.000	MON	50	0	
	TD BANK DEPOSIT SWEEP			12/01/2016	TD BANK		30,249	0	0	0	0	0	30,249	0	0	0.000	0.000	MON	0	0	
8999999	All Other Money Market Mutual Funds						30,249	0	0	0	0	XXX	30,249	0	0	XXX	XXX	XXX	25,300	0	
9199999 Totals																					
							896,567	0	0	0	0	XXX	896,567	0	0	XXX	XXX	XXX	25,891	0	

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama AL			.0	.0	.0	.0
2. Alaska AK			.0	.0	.0	.0
3. Arizona AZ			.0	.0	.0	.0
4. Arkansas AR			.0	.0	.0	.0
5. California CA			.0	.0	.0	.0
6. Colorado CO			.0	.0	.0	.0
7. Connecticut CT			.0	.0	.0	.0
8. Delaware DE			.0	.0	.0	.0
9. District of Columbia DC			.0	.0	.0	.0
10. Florida FL			.0	.0	.0	.0
11. Georgia GA			.0	.0	.0	.0
12. Hawaii HI			.0	.0	.0	.0
13. Idaho ID			.0	.0	.0	.0
14. Illinois IL			.0	.0	.0	.0
15. Indiana IN			.0	.0	.0	.0
16. Iowa IA			.0	.0	.0	.0
17. Kansas KS			.0	.0	.0	.0
18. Kentucky KY			.0	.0	.0	.0
19. Louisiana LA			.0	.0	.0	.0
20. Maine ME			.0	.0	.0	.0
21. Maryland MD			.0	.0	.0	.0
22. Massachusetts MA			.0	.0	.0	.0
23. Michigan MI			.0	.0	.0	.0
24. Minnesota MN			.0	.0	.0	.0
25. Mississippi MS			.0	.0	.0	.0
26. Missouri MO			.0	.0	.0	.0
27. Montana MT			.0	.0	.0	.0
28. Nebraska NE			.0	.0	.0	.0
29. Nevada NV			.0	.0	.0	.0
30. New Hampshire NH			.0	.0	.0	.0
31. New Jersey NJ			130,296	127,569	.0	.0
32. New Mexico NM			.0	.0	.0	.0
33. New York NY			.0	.0	.0	.0
34. North Carolina NC			.0	.0	.0	.0
35. North Dakota ND			.0	.0	.0	.0
36. Ohio OH			.0	.0	.0	.0
37. Oklahoma OK			.0	.0	.0	.0
38. Oregon OR			.0	.0	.0	.0
39. Pennsylvania PA			.0	.0	.0	.0
40. Rhode Island RI			.0	.0	.0	.0
41. South Carolina SC			.0	.0	.0	.0
42. South Dakota SD			.0	.0	.0	.0
43. Tennessee TN			.0	.0	.0	.0
44. Texas TX			.0	.0	.0	.0
45. Utah UT			.0	.0	.0	.0
46. Vermont VT			.0	.0	.0	.0
47. Virginia VA			.0	.0	.0	.0
48. Washington WA			.0	.0	.0	.0
49. West Virginia WV			.0	.0	.0	.0
50. Wisconsin WI			.0	.0	.0	.0
51. Wyoming WY			.0	.0	.0	.0
52. American Samoa AS			.0	.0	.0	.0
53. Guam GU			.0	.0	.0	.0
54. Puerto Rico PR			.0	.0	.0	.0
55. US Virgin Islands VI			.0	.0	.0	.0
56. Northern Mariana Islands MP			.0	.0	.0	.0
57. Canada CAN			.0	.0	.0	.0
58. Aggregate Other Alien OT	XXX	XXX	.0	.0	.0	.0
59. Total	XXX	XXX	130,296	127,569	0	0
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Sum of remaining write-ins for Line 58 from overflow page	XXX	XXX	.0	.0	.0	.0
5899. Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	XXX	0	0	0	0

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ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2016
 OF THE CONDITION AND AFFAIRS OF THE

Horizon Insurance Company

NAIC Group Code 01202 , 01202 NAIC Company Code 14690 Employer's ID Number 46-1362174
(Current Period) (Prior Period)

Organized under the Laws of New Jersey , State of Domicile or Port of Entry New Jersey
 Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
 Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization []
 Other [] Is HMO, Federally Qualified? Yes [] No []

Incorporated/Organized 10/11/2012 Commenced Business 12/31/2012

Statutory Home Office 3 Penn Plaza East PP-15D , Newark, NJ, US 07105-2248
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3 Penn Plz E Ste PP-15D
(Street and Number)
Newark, NJ, US 07105-2248 973-466-5607
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 3 Penn Plz E Ste PP-15D , Newark, NJ, US 07105-2248
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3 Penn Plz E Ste PP-15D
(Street and Number)
Newark, NJ, US 07105-2248 973-466-5607
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.horizonblue.com

Statutory Statement Contact Thomas D. Protentis , 973-466-5607
(Name) (Area Code) (Telephone Number) (Extension)
thomas_protentis@horizonblue.com 973-466-8453
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Kevin Patrick Conlin</u>	<u>CFO</u>	<u>Linda Anne Willett</u>	<u>Secretary</u>
<u>David Robert Huber</u>	<u>CFO and Treasurer</u>	<u>Erhardt Hsiao Lin Preitauer</u>	<u>President</u>

OTHER OFFICERS

<u>Robert Anthony Marino</u>	<u>Chairman</u>	<u>Joseph John Albano</u>	<u>Executive Vice President</u>
<u>Jai Prasad Pillai</u>	<u>Executive Vice President</u>	<u>Michael John Considine</u>	<u>Vice President</u>

DIRECTORS OR TRUSTEES

<u>Robert Anthony Marino</u>	<u>Erhardt Hsiao Lin Preitauer</u>	<u>Kevin Patrick Conlin</u>	<u>David Robert Huber</u>
<u>Christopher Michael Lepre</u>			

State of New Jersey
 County of Essex

ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kevin Patrick Conlin
 CEO

Linda Anne Willett
 Secretary

David Robert Huber
 CFO and Treasurer

Subscribed and sworn to before me this _____ day of _____,

- a. Is this an original filing? Yes [] No []
 b. If no:
 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals	407,546					407,546
Group subscribers:						
0299997 Group subscriber subtotal	0	0	0	0	0	0
0299998 Premiums due and unpaid not individually listed	586,232			71,194	71,194	586,232
0299999 Total group	586,232	0	0	71,194	71,194	586,232
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	993,778	0	0	71,194	71,194	993,778

Exhibit 3 - Health Care Receivables

NONE

Exhibit 3A - Analysis of HC Receivables

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0199999 Individually listed claims unpaid	0	0	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered	11,887,342	103,382	81	167	3,200	11,994,172
0399999 Aggregate accounts not individually listed-covered						0
0499999 Subtotals	11,887,342	103,382	81	167	3,200	11,994,172
0599999 Unreported claims and other claim reserves						40,934,924
0699999 Total amounts withheld						
0799999 Total claims unpaid						52,929,096
0899999 Accrued medical incentive pool and bonus amounts						0

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
NONE							
0199999 Individually listed receivables	0	0	0	0	0	0	0
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Horizon Healthcare Services, Inc.		64,899,921	64,899,921	
Horizon Healthcare of New Jersey, Inc.		1,734,118	1,734,118	
0199999 Individually listed payables		66,634,039	66,634,039	0
0299999 Payables not individually listed				
0399999 Total gross payables		66,634,039	66,634,039	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

EXHIBIT 7 - PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	2,965,659	0.6		0.0		2,965,659
2. Intermediaries	14,638,387	2.7		0.0		14,638,387
3. All other providers	0	0.0		0.0		
4. Total capitation payments	17,604,046	3.3	0	0.0	0	17,604,046
Other Payments:						
5. Fee-for-service	31,786,627	5.9	XXX	XXX		31,786,627
6. Contractual fee payments	487,665,024	90.8	XXX	XXX		487,665,024
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	519,451,651	96.7	XXX	XXX	0	519,451,651
13. Total (Line 4 plus Line 12)	537,055,697	100 %	XXX	XXX	0	537,055,697

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
	Davis Vision	1,967,341	163,945	0	0
	Horizon Healthcare Services Inc	681,874	56,823	0	0
	CareCentrix	1,451,811	120,984	0	0
	Care Core National	6,879,164	573,264	0	0
	Lab Corp	293,824	24,485	0	0
	Beacon	3,128,889	260,741	0	0
	HearX	235,483	19,264	0	0
9999999 Totals		14,638,386	XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	NONE					
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	0	0	0	0	0	0



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Horizon Insurance Company

2.

(LOCATION)

NAIC Group Code	01202	BUSINESS IN THE STATE OF New Jersey		DURING THE YEAR 2016						NAIC Company Code	14690
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other	
		2 Individual	3 Group								
Total Members at end of:											
1. Prior Year	173,901			96,775	21,290			25,379		30,457	
2. First Quarter	193,117			96,884	42,508			23,793		29,932	
3. Second Quarter	192,906			96,230	43,483			23,538		29,655	
4. Third Quarter	195,542			95,798	46,907			23,368		29,469	
5. Current Year	196,395			93,049	50,874			23,212		29,260	
6. Current Year Member Months	2,316,449			1,147,137	530,757			282,686		355,869	
Total Member Ambulatory Encounters for Year:											
7. Physician	3,320,847			3,004,039				316,808			
8. Non-Physician	1,509,199			1,403,206				105,993			
9. Total	4,830,046	0	0	4,407,245	0	0	0	422,801	0	0	
10. Hospital Patient Days Incurred	355,203			284,517				70,686			
11. Number of Inpatient Admissions	41,418			32,786				8,632			
12. Health Premiums Written (b)	621,347,982			278,113,889	2,644,432			301,403,800		39,185,861	
13. Life Premiums Direct	0										
14. Property/Casualty Premiums Written	0										
15. Health Premiums Earned	617,059,098			278,385,369	2,642,458			296,845,106		39,186,165	
16. Property/Casualty Premiums Earned	0										
17. Amount Paid for Provision of Health Care Services	537,055,697			225,367,452	1,969,793			277,617,283		32,101,169	
18. Amount Incurred for Provision of Health Care Services	535,536,794			225,430,449	1,969,793			276,148,383		31,988,169	

(a) For health business: number of persons insured under PPO managed care products 235 and number of persons insured under indemnity only products 93,049

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 301,403,800

30.NJ



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Horizon Insurance Company

2.

(LOCATION)

NAIC Group Code	01202	BUSINESS IN THE STATE OF Consolidated		DURING THE YEAR 2016						NAIC Company Code	14690
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other	
		2 Individual	3 Group								
Total Members at end of:											
1. Prior Year	173,901	0	0	96,775	21,290	0	0	25,379	0	30,457	
2. First Quarter	193,117	0	0	96,884	42,508	0	0	23,793	0	29,932	
3. Second Quarter	192,906	0	0	96,230	43,483	0	0	23,538	0	29,655	
4. Third Quarter	195,542	0	0	95,798	46,907	0	0	23,368	0	29,469	
5. Current Year	196,395	0	0	93,049	50,874	0	0	23,212	0	29,260	
6. Current Year Member Months	2,316,449	0	0	1,147,137	530,757	0	0	282,686	0	355,869	
Total Member Ambulatory Encounters for Year:											
7. Physician	3,320,847	0	0	3,004,039	0	0	0	316,808	0	0	
8. Non-Physician	1,509,199	0	0	1,403,206	0	0	0	105,993	0	0	
9. Total	4,830,046	0	0	4,407,245	0	0	0	422,801	0	0	
10. Hospital Patient Days Incurred	355,203	0	0	284,517	0	0	0	70,686	0	0	
11. Number of Inpatient Admissions	41,418	0	0	32,786	0	0	0	8,632	0	0	
12. Health Premiums Written (b)	621,347,982	0	0	278,113,889	2,644,432	0	0	301,403,800	0	39,185,861	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	617,059,098	0	0	278,385,369	2,642,458	0	0	296,845,106	0	39,186,165	
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	
17. Amount Paid for Provision of Health Care Services	537,055,697	0	0	225,367,452	1,969,793	0	0	277,617,283	0	32,101,169	
18. Amount Incurred for Provision of Health Care Services	535,536,794	0	0	225,430,449	1,969,793	0	0	276,148,383	0	31,988,169	

(a) For health business: number of persons insured under PPO managed care products 235 and number of persons insured under indemnity only products 93,049

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 301,403,800

30.GT

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than For Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
NONE											
9999999 Totals						0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Premiums	9 Unearned Premiums (Estimated)	10 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
										11 Current Year	12 Prior Year		
General Account - Authorized - Affiliates - U.S. - Other													
55069	22-0999690	10/01/2015	HORIZON HLTHCARE SERV INC	NJ	QA/1/A	MR	271,263,420	455,983	22,472,910				
55069	22-0999690	10/01/2015	HORIZON HLTHCARE SERV INC	NJ	QA/1/A	MD	35,267,549	0	1,214,100				
55069	22-0999690	10/01/2015	HORIZON HLTHCARE SERV INC	NJ	QA/1/A	MS	250,302,500	11,509,232	23,949,177				
0299999 - General Account - Authorized - Affiliates - U.S. - Other							556,833,468	11,965,215	47,636,187	0	0	0	0
0399999 - General Account - Authorized - Affiliates - U.S. - Total							556,833,468	11,965,215	47,636,187	0	0	0	0
0799999 - General Account - Authorized - Affiliates - Total Authorized Affiliates							556,833,468	11,965,215	47,636,187	0	0	0	0
1199999 - General Account - Authorized - Total General Account Authorized							556,833,468	11,965,215	47,636,187	0	0	0	0
3499999 - General Account - Total General Account Authorized, Unauthorized and Certified							556,833,468	11,965,215	47,636,187	0	0	0	0
6999999 - Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2599999, 3099999, 3799999, 4299999, 4899999, 5399999, 5999999 and 6499999)							556,833,468	11,965,215	47,636,187	0	0	0	0
9999999 Totals													
							556,833,468	11,965,215	47,636,187	0	0	0	0

Schedule S - Part 4

NONE

Schedule S - Part 5

NONE

SCHEDULE S – PART 6Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2016	2 2015	3 2014	4 2013	5 2012
A. OPERATIONS ITEMS					
1. Premiums.....	285,570	69,204	.0	.0	.0
2. Title XVIII-Medicare.....	271,263	70,308	.0	.0	.0
3. Title XIX-Medicaid.....	.0	.0	.0	.0	.0
4. Commissions and reinsurance expense allowance.....		.0	.0	.0	.0
5. Total hospital and medical expenses.....		.0	.0	.0	.0
B. BALANCE SHEET ITEMS					
6. Premiums receivable.....		.0	.0	.0	.0
7. Claims payable.....		.0	.0	.0	.0
8. Reinsurance recoverable on paid losses.....	.0	.0	.0	.0	.0
9. Experience rating refunds due or unpaid.....		.0	.0	.0	.0
10. Commissions and reinsurance expense allowances due.....		.0	.0	.0	.0
11. Unauthorized reinsurance offset.....	.0	.0	.0	.0	.0
12. Offset for reinsurance with Certified Reinsurers.....	.0	.0	.0	.0	.0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
13. Funds deposited by and withheld from (F).....	.0	.0	.0	.0	.0
14. Letters of credit (L).....	.0	.0	.0	.0	.0
15. Trust agreements (T).....	.0	.0	.0	.0	.0
16. Other (O).....	.0	.0	.0	.0	.0
D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Multiple Beneficiary Trust.....	.0	.0	.0	.0	.0
18. Funds deposited by and withheld from (F).....	.0	.0	.0	.0	.0
19. Letters of credit (L).....	.0	.0	.0	.0	.0
20. Trust agreements (T).....	.0	.0	.0	.0	.0
21. Other (O).....	.0	.0	.0	.0	.0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12).....	103,428,337		103,428,337
2. Accident and health premiums due and unpaid (Line 15).....	993,778		993,778
3. Amounts recoverable from reinsurers (Line 16.1).....	0		0
4. Net credit for ceded reinsurance.....	XXX	47,636,187	47,636,187
5. All other admitted assets (Balance).....	19,405,209		19,405,209
6. Total assets (Line 28)	123,827,324	47,636,187	171,463,511
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	5,292,910	47,636,187	52,929,097
8. Accrued medical incentive pool and bonus payments (Line 2).....	0		0
9. Premiums received in advance (Line 8).....	1,566,047		1,566,047
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount).....	20,233,543		20,233,543
11. Reinsurance in unauthorized companies (Line 20 minus inset amount).....	0		0
12. Reinsurance with Certified Reinsurers (Line 20 inset amount).....	0		0
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount).....	0		0
14. All other liabilities (Balance).....	69,477,848		69,477,848
15. Total liabilities (Line 24).....	96,570,348	47,636,187	144,206,535
16. Total capital and surplus (Line 33).....	27,256,977	XXX	27,256,977
17. Total liabilities, capital and surplus (Line 34)	123,827,325	47,636,187	171,463,512
NET CREDIT FOR CEDED REINSURANCE			
18. Claims unpaid.....	47,636,187		
19. Accrued medical incentive pool.....	0		
20. Premiums received in advance.....	0		
21. Reinsurance recoverable on paid losses.....	0		
22. Other ceded reinsurance recoverables.....	0		
23. Total ceded reinsurance recoverables.....	47,636,187		
24. Premiums receivable.....	0		
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers.....	0		
26. Unauthorized reinsurance.....	0		
27. Reinsurance with Certified Reinsurers.....	0		
28. Funds held under reinsurance treaties with Certified Reinsurers.....	0		
29. Other ceded reinsurance payables/offsets.....	0		
30. Total ceded reinsurance payables/offsets.....	0		
31. Total net credit for ceded reinsurance	47,636,187		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE T – PART 2
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.		Direct Business Only					Totals
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama	AL						0
2. Alaska	AK						0
3. Arizona	AZ						0
4. Arkansas	AR						0
5. California	CA						0
6. Colorado	CO						0
7. Connecticut	CT						0
8. Delaware	DE						0
9. District of Columbia	DC						0
10. Florida	FL						0
11. Georgia	GA						0
12. Hawaii	HI						0
13. Idaho	ID						0
14. Illinois	IL						0
15. Indiana	IN						0
16. Iowa	IA						0
17. Kansas	KS						0
18. Kentucky	KY						0
19. Louisiana	LA						0
20. Maine	ME						0
21. Maryland	MD						0
22. Massachusetts	MA						0
23. Michigan	MI						0
24. Minnesota	MN						0
25. Mississippi	MS						0
26. Missouri	MO						0
27. Montana	MT						0
28. Nebraska	NE						0
29. Nevada	NV						0
30. New Hampshire	NH						0
31. New Jersey	NJ						0
32. New Mexico	NM						0
33. New York	NY						0
34. North Carolina	NC						0
35. North Dakota	ND						0
36. Ohio	OH						0
37. Oklahoma	OK						0
38. Oregon	OR						0
39. Pennsylvania	PA						0
40. Rhode Island	RI						0
41. South Carolina	SC						0
42. South Dakota	SD						0
43. Tennessee	TN						0
44. Texas	TX						0
45. Utah	UT						0
46. Vermont	VT						0
47. Virginia	VA						0
48. Washington	WA						0
49. West Virginia	WV						0
50. Wisconsin	WI						0
51. Wyoming	WY						0
52. American Samoa	AS						0
53. Guam	GU						0
54. Puerto Rico	PR						0
55. US Virgin Islands	VI						0
56. Northern Mariana Islands	MP						0
57. Canada	CAN						0
58. Aggregate Other Alien	OT						0
59. Totals		0	0	0	0	0	0

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
01202	BCBS of NJ Group	55069	22-0999690				Horizon Healthcare Services Inc.	NJ	UIP	Horizon Healthcare Services Inc.		0.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	00000	22-2561496				Horizon Healthcare Plan Holding Company, Inc.	NJ	UDP	Horizon Healthcare Services Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	11146	22-3331515				Horizon Healthcare Dental, Inc.	NJ	IA	Horizon Healthcare Plan Holding Company, Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	95529	22-3346524				Horizon Casualty Services, Inc.	NJ	NIA	Horizon Healthcare Plan Holding Company, Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	14690	46-1362174				Horizon Insurance Company	NJ		Horizon Healthcare Plan Holding Company, Inc.	Ownership	0.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	00000	46-2605607				Multistate Professional Services, Inc.	NJ	NIA	Horizon Healthcare Services Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202 00000	BSBC of NJ Group	00000	47-4428396				Multistate Investment Services, Inc.	NJ	NIA	Horizon Healthcare Services, Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
												0.0			0
01202	BCBS of NJ Group	00000	13-4290405				Enterprise Property Holdings, Inc.	NJ	NIA	Horizon Healthcare Services Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	00000	27-1179993				Three Penn Plaza Property Holdings Urban Renewal, LLC.	NJ	NIA	Horizon Healthcare Services Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202	BCBS of NJ Group	00000	20-0522405				Horizon Charitable Foundation, Inc.	NJ	NIA	Horizon Healthcare Services Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
01202 00000	BCBS of NJ Group	00000	22-2651245				Horizon Healthcare of New Jersey, Inc.	NJ	IA	Horizon Healthcare Plan Holding Company, Inc.	Ownership	100.0	Horizon Healthcare Services Inc.		0
												0.0			0

Asterisk	Explanation

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	13-4290405	Enterprise Property Holdings, Inc.	5,000,000				2,934,996				7,934,996	
11146	22-3331515	Horizon Healthcare Dental, Inc.					(4,753,758)				(4,753,758)	
	22-2561496	Horizon Healthcare Plan Holding Company,					20,110				20,110	
95529	22-2651245	Horizon Healthcare of New Jersey, Inc.					(137,614,591)				(137,614,591)	
	22-3346524	Horizon Casualty Services, Inc.					(9,590,805)				(9,590,805)	
55069	22-0999690	Horizon Healthcare Services, Inc.	(22,600,000)	(41,925,075)			174,404,481				109,879,406	
	27-1179993	Three Penn Plaza Property Holdings, LLC	17,600,000				9,480,358				27,080,358	
14690	46-1362174	Horizon Insurance Company					(34,801,211)				(34,801,211)	
	47-4428396	Multistate Investment Services, Inc.		41,925,075			(79,580)				41,845,495	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING	Responses
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	.....YES.....
2. Will an actuarial opinion be filed by March 1?	.....YES.....
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	.....YES.....
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?	.....YES.....
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	.....YES.....
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	.....YES.....
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	.....YES.....
JUNE FILING	
8. Will an audited financial report be filed by June 1?	.....YES.....
9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	.....YES.....
AUGUST FILING	
10. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	.....SEE EXPLANATION.....

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING	
11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	.....YES.....
12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	.....NO.....
13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	.....NO.....
14. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	.....NO.....
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	.....NO.....
16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	.....NO.....
17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....YES.....
18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	.....SEE EXPLANATION.....
19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	.....SEE EXPLANATION.....
20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed with electronically with the NAIC by March 1?	.....SEE EXPLANATION.....
APRIL FILING	
21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	.....NO.....
22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	.....NO.....
23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	.....NO.....
24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	.....YES.....
25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?	.....YES.....
AUGUST FILING	
26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	.....SEE EXPLANATION.....

Explanation:

- 10.
- 12.
- 13.
- 14.
- 15.
- 16.
- 18.
- 19.
- 20.
- 21.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

22.

23.

26.

Bar code:



OVERFLOW PAGE FOR WRITE-INS



SUPPLEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2016 (To Be Filed by March 1)

FOR THE STATE OF New Jersey

NAIC Group Code 01202, Address (City, State and Zip Code) Newark, NJ 07105-2248, Person Completing This Exhibit Jeffrey Schindler, Title Director, Actuarial, NAIC Company Code 14690, Telephone Number 973-466-5319

Table with 18 columns: Compliance with OBRA, Policy Form Number, Standardized Medicare Supplement Benefit Plan, Medicare Select, Plan Characteristics, Date Approved, Date Approval Withdrawn, Date Last Amended, Date Closed, Policy Marketing Trade Name, Policies Issued Through 2013 (Premiums Earned, Incurred Claims Amount, Percent of Premiums Earned, Number of Covered Lives), Policies Issued in 2014, 2015, 2016 (Premiums Earned, Incurred Claims Amount, Percent of Premiums Earned, Number of Covered Lives). Includes summary rows for individual and group policies.

GENERAL INTERROGATORIES

- 1. If response in Column 1 is no, give full and complete details
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c) (3) (E) for this state
2.1 Address: 3 Penn Plaza Newark, NJ 07105
2.2 Contact Person and Phone Number: Jeffrey Schindler 973-466-5319
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h) (3) (B).
3.1 Address: 3 Penn Plaza Newark, NJ 07105
3.2 Contact Person and Phone Number: Jeffrey Schindler 973-466-5319
4. Explain any policies identified above as policy type "O"
9734665319

360.NJ



**SUPPLEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company
MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)
(To Be Filed By March 1)

NAIC Group Code

01202

NAIC Company Code

14690

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage	26,003,961	XXX		XXX	26,003,961
1.12 Without Reinsurance Coverage		XXX		XXX	0
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits	8,796,975	XXX		XXX	8,796,975
2. Premiums Due and Uncollected-change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage	(836,842)	XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits	142,300	XXX		XXX	XXX
3. Unearned Premium and Advance Premium-change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage	(255,468)	XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits	65,800	XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-change					
4.1 Receivable	200,284	XXX		XXX	XXX
4.2 Payable	4,558,220	XXX		XXX	XXX
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage	25,422,587	XXX		XXX	XXX
5.12 Without Reinsurance Coverage		XXX		XXX	XXX
5.13 Risk-Corridor Payment Adjustments	4,758,503	XXX		XXX	XXX
5.2 Supplemental Benefits	9,005,075	XXX		XXX	XXX
6. Total Premiums	39,186,165	XXX	0	XXX	34,800,936
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage	24,300,489	XXX		XXX	24,300,489
7.12 Without Reinsurance Coverage		XXX		XXX	0
7.2 Supplemental Benefits	6,637,392	XXX		XXX	6,637,392
8. Claim Reserves and Liabilities-change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage	286,500	XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits	(173,500)	XXX		XXX	XXX
9. Health Care Receivables-change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage	(742,189)	XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits	(195,100)	XXX		XXX	XXX
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage	25,329,178	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
10.2 Supplemental Benefits	6,658,992	XXX	0	XXX	XXX
11. Total Claims	31,988,170	XXX	0	XXX	30,937,881
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid – Net To Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-change	XXX		XXX		0
12.3 Reimbursements Receivable-change	XXX		XXX		XXX
12.4 Health Care Receivables-change	XXX		XXX		XXX
13. Aggregate Policy Reserves-change	321,268				XXX
14. Expenses Paid	11,609,565	XXX		XXX	11,609,565
15. Expenses Incurred	11,609,565	XXX		XXX	XXX
16. Underwriting Gain/Loss	(4,732,838)	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	(7,746,510)

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

Statement of Actuarial Opinion

Horizon Insurance Company

Statement of Actuarial Opinion

Table of Key Indicators-appropriate boxes are indicated with an "x"

This opinion is	X	Unqualified	Qualified	Adverse	Inconclusive
Identification Section	X	Prescribed wording only	Prescribed wording only with Additional wording	Revised wording	
Scope Section	X	Prescribed wording only	Prescribed wording only with Additional wording	Revised wording	
Reliance Section	X	Prescribed wording only	Prescribed wording only with Additional wording	Revised wording	
Opinion Section	X	Prescribed wording only	Prescribed wording only with Additional wording	Revised wording	
Relevant Comments		Revised wording-the Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice.			

I, Gary H. Lin, Vice President and Chief Actuary, am an employee of Horizon Healthcare Services, Inc. (d/b/a Horizon Blue Cross Blue Shield of New Jersey), the indirect parent of Horizon Insurance Company and a member of the American Academy of Actuaries. I was appointed on August 09, 2011 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2016:

A. Claims unpaid (Page 3, Line 1);	\$	
5,292,910		
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);	\$	0
C. Unpaid claims adjustment expenses (Page 3, Line 3);	\$	59,500
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves, premium deficiency reserves and additional policy reserves from the Underwriting and Investment Exhibit, Part 2D;	\$	1,734,593
E. Aggregate life policy reserves (Page 3, Line 5);	\$	0
F. Property/casualty unearned premium reserves (Page 3, Line 6);	\$	0
G. Aggregate health claim reserves (Page 3, Line 7);	\$	0
H. Any other loss reserves, actuarial liabilities, or related items presented as liabilities in the annual statement; and		Not Applicable
I. Specified actuarial items presented as assets in the annual statements.		Not Applicable

My examination included such review of the actuarial assumptions and actuarial methods and of the underlying basic liability records and such tests of the actuarial calculations as I considered necessary. I also reconciled the underlying basic liability records to the Underwriting and Investment Exhibit, Part 2B of the company's current annual statement.

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared;
- C. Meet the requirements of the Insurance Laws and regulations of the state of New Jersey and are at least as great as the minimum aggregate amounts required by any state;
- D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements;
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year end; and
- F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit, Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

Statement of Actuarial Opinion

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

This opinion has been prepared solely for the Board and management of the Company, for filing with insurance regulatory agencies of states in which the Company is licensed, and for the Blue Cross and Blue Shield Association.

Gary H. Lin, FSA, MAAA
Vice President and Chief Actuary
c/o Horizon Healthcare Services, Inc.
3 Penn Plaza, Newark, NJ 07105
973-466-5900
February 28, 2017



SUPPLEMENT FOR THE YEAR 2016 OF THE Horizon Insurance Company

SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2016

(To Be Filed by March 1)
PART 1 - INTERROGATORIES

1. Is the reporting insurer a member of a group of insurers or other holding company system? Yes No
 If yes, do the amounts below represent 1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group: Yes ; or 2) allocation to each insurer: Yes .
2. Did any person while an officer, director, or trustee of the reporting entity, receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes No
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes No

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	3 Salary	4 Bonus	5 Stock Awards	6 Option Awards	7 Sign-on Payments	8 Severance Payments	9 All Other Compensation	10 Totals
Current: 1. Kevin P. Conlin, Principal Executive Officer (salary reported on parent company)	2016 2015 2014								0 0 0
Current: 2. David R. Huber, Principal Financial Officer (salary reported on parent company)	2016 2015 2014								0 0 0
3. Linda A. Willett, Secretary (salary reported on parent company)	2016 2015 2014								0 0 0
4. Erhardt H. Preitauer, President (salary reported on parent company)	2016 2015 2014								0 0 0
5. Robert A. Marino, Chairman (salary reported on parent company)	2016 2015 2014								0 0 0
6. Jai P. Pillai, EVP (salary reported on Horizon Healthcare of NJ)	2016 2015 2014								0 0 0
7. Joseph J. Albano, EVP	2016 2015 2014	342,902	339,971					19,606	702,479 0 0
8. Michael J. Considine, VP	2016 2015 2014	284,292	206,796					20,159	511,247 0 0
9.	2016 2015 2014								0 0 0
10.	2016 2015 2014								0 0 0

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation and Company (if Outside Director)	Paid or Deferred for Services as Director				6 All Other Compensation Paid or Deferred	7 Totals
	2 Direct Compensation	3 Stock Awards	4 Option Awards	5 Other		

PART 4 - NARRATIVE DESCRIPTION OF MATERIAL FACTORS

Provide a narrative description of any material factors necessary to gain an understanding of the information disclosed in the tables.